

# **Leading Change One Conversation at a Time**

by

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# **An Executive Summary based on a full doctoral dissertation**

## ***Study Purpose***

The purpose of this research was to gain a better understanding of the organizational change process by focusing on the conversations that senior leaders use to create and sustain business transformation. This research explored how senior leaders experience and interpret their leadership conversations with their direct reports during organizational change initiatives. Conversation is an important part of effective leadership and change. To effectively navigate change, senior leadership conversations must provide context and vision, meaning and purpose, and influence and shape the change process.

## ***Design/methodology/approach***

A qualitative methodology referred to as phenomenography was designed to investigate variation in the ways of experiencing leadership conversations.

## ***Findings***

The findings suggest five variations in meaning that characterize the experience of senior leaders and their leadership conversations with direct reports. The variations represent how senior leaders make meaning of leadership conversations, what it means to the leader, what leaders are thinking about, what they are trying to do, and what they want to achieve. These research findings provide a stimulus for advances in organizational change and leadership development knowledge and training.

## ***Practical implications***

The findings will help leaders gain a clearer understanding of how their conversations influence business change and a greater appreciation for how closely their conversational behaviors influence the leadership of change. The research findings provide new knowledge for practitioners engaging in developing and designing organizational change.

## ***Originality/value***

This research is unique in that few studies of this nature have been conducted in Canada and therefore conveys new insight and knowledge into the impact of leadership conversations on influencing the change process. This research makes conscious what had been unseen and will lead to opportunities in positively influencing change initiatives, leadership development, and strategic organizational approaches.

## **Introduction**

Organizational change is a constant in the business world today and plays a significant role for organizational leadership. On a daily basis organizations are challenged to improve their business performance, and take on new and exciting projects, often as a result of a change in strategy or to increase business effectiveness. Change is increasingly becoming an important part of what leaders do, and communication and conversations are essential to both leadership and organizational change.

Public and private sector organizations are rethinking their mission, values and operations against a new 21st century environment. They are looking for opportunities to restructure and transform themselves to take advantage of the opportunities of a globally, coupled world where people, driven by values and equipped with knowledge will collaborate and innovate.

The current economic downturn and the events that created it have added urgency to this change agenda. Leadership will play a pivotal role in making this happen.

## **Overview of Results**

### **Participant Group Profile**

Hydro One is responsible for 97% of Ontario's electricity transmission system and about one-third of the province's distribution system. As stewards of the province's electricity grid, Hydro One's role is to provide safe, reliable and cost-effective electricity. But how Hydro One accomplishes this in the 21st century is critical. This is a time of tremendous change, opportunity and transformation in Ontario and across North America. The challenges facing the Ontario electricity industry are new and many. With the business world changing, the organization is now focusing on renewing Ontario's Power Grid, accelerating changes in emerging technologies, creating higher expectations for quality, value and service, providing opportunities for innovation, collaboration and leadership, and striving to achieve excellence in a rapidly changing environment. Though the organization is in the midst of transformational change, leadership is making efforts to create dialogue and participation so that organizational members can effectively understand and operate within new expectations that change brings.

The 10 participants in this study represented approximately 50% of the senior leadership population. Senior leaders (often referred to as the executive, senior leadership or senior management) are generally a team of individuals at the highest level of organizational management, who have the day-to-day responsibilities of managing and leading a corporation. Direct reports are a level of management in this organization whose primary job responsibility is to monitor activities of subordinates while reporting directly to senior leaders. Senior leaders in this participant study group were also responsible for lines of business (business

groups) ranging in size from 1 to 3500 staff and ranged from having 1 direct report to 10 direct reports. In order to protect the confidentiality and anonymity of the participants, a collective group profile was presented.

All participants were given pseudonyms. Pseudonyms were adopted from a historical listing of past presidents from this specific industry and are not related nor reflect the experiences of those individuals. These pseudonyms are: *Beck, Cooke, Lyon, Saunders, Duncan, Franklin, Eliesen, Strong, Campbell and Taylor*. Quotes are used to illustrate and explain the categories; to show participants how they are interpreted and what has been learned from them; however quotes are only a subset of the interviews and are not representative of all participants.

Data was collected by semi-structured interviews, asking participants what leadership conversations during times of change meant to them, how they went about having conversations, what were they trying to achieve. Data collection occurred from October 2009 to January 2010.

Participants discussed a broad range of significant organizational changes impacting the overall business of the organization. Topics ranged included: the transformational systems and processes that were introduced to the business and the requirement to move thousands of people down a path of performance and information driven processes; the introduction of new operational technologies to modernize the electricity grid, transforming the way the power system has operated over the past 50 years; the impact of senior leadership changes; organization structural changes and modifications; and managing many projects and initiatives.

All participants spoke of the significance of recognizing the importance that leadership (in the context of their conversations) was most effective when they demonstrated the ability to listen, when they engaged in collaborative and generative conversations, and when they

were able to develop a shared commitment to any organizational-wide change effort.

## Summary of Findings

### Ways of Experiencing Leadership Conversations – Categories of Description

The five categories that emerged from the study are inclusive and hierarchical. Each category is supported by quotes from transcripts. It is important to note; however, that the quotes used are illustrative of the conceptual categories and that the aim is not to put any particular senior leader into a specific category. Each individual quote is not necessarily indicative of the meaning of the category, but is supportive, and the richness of each category of description is defined by the whole set of transcripts.

Category Name	Description
	<b>An Individual Perspective</b>
<b>Category 1 Strategically Intentional</b>	Leadership conversations are experienced as strategically intentional to influence others.
<b>Category 2 Catalyst for change</b>	Leadership conversations give leaders new insights and are a means of creating new pathways of possibilities.
	<b>A Process Perspective</b>
<b>Category 3 Mindful Awareness</b>	Leadership conversations are mindful, a process of continually orienting, adjusting and creating opportunities for deeper, more meaningful possibilities.
	<b>A Transformational Perspective</b>
<b>Category 4 Building Shared Commitment</b>	Leadership conversations develop genuine relationships based on authenticity, foster a sense of personal accountability, and build shared commitment.
<b>Category 5 Guiding the change</b>	Leadership conversations help lead an organization to do something significantly or

	fundamentally different from what they have done before.
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### Category 1: Strategically Intentional

Leadership conversations are experienced as strategically intentional to influence others.

The primary intention of this category is that underlying leadership conversations leaders are proactively engaging in focusing and shaping conversations for specific outcomes. Leaders described their understanding of conversations as purposeful efforts where talk is about determining how people think about and respond to organizational changes, creating shared experiences through face-to-face conversations, building trust and strengthening relationships. *Duncan* captured it by saying “our conversations are all about reading the signs, the people, the situation and responding decisively, wearing a number of different hats.”

Organizational change today, aligned with the overall corporate strategy, requires an organizational model and organizational leadership that is dynamic and responsive. Senior leaders within this category also indicated that influencing the direction of successful organizational change was achieved by recognizing individual differences and using diverse types of conversations. *Saunders* stated, “Before I go out into these face-to-face sessions, I conduct a bit of conversational research. I want to understand what is going on, I want to hear more, talk with my counterparts first and talk to my directs and then just listen and probe a bit.”

Whether focusing on leadership conversations as well planned and structured, or executed purposively to create understanding and influence behavior, this category is focused on preparing people for change, and gathering

feedback on the change in order to enable behavioral and attitudinal changes.

### **Category 2 – Catalyst for change**

Leadership conversations give leaders new insights and are a means of creating new pathways of possibilities.

Leaders understand that the effective conversations they have can lead to higher levels of organizational alignment, improvement towards the relationships within and outside the company and also to deliberately shape the organization's direction. Leadership conversations are instrumental in changing the core culture, direction and motivation needed to succeed in a changing environment. From this perspective, their conversations serve as the catalyst for change. In this category leaders described the "huge amount of commitment" and "dedicated time" required to bring their teams together in order to move ahead with the change.

*Franklin* described his view of change conversations:

When you decide what you want to do, you keep at it; you need to cut off people's alternatives not to change. Unless you are very directive, and there are no other alternatives, they are not going to change. I know this is hard line, but we have a population that says thanks but I'm not going to change. Well we are going to change and we don't have time to be subtle anymore.

*Eliesen* supported this meaning by indicating that "accountabilities at the end of the day, you make the call and hear what they have to say but this is the way it is going to be. The selection of directs is very important, and you need to learn to trust that others can deliver the message, that this is the way it is going to be."

When *Saunders* described a specific organizational change initiative and the

involvement of his direct reports, he indicated, "I spent hours and hours with both of them, it was all consuming, and I was handling it on a human level. I needed to provide comfort that they were making a difference." *Taylor* also expressed the time required for good conversation and explained why, "the other part of that is that's tough to do and time consuming, so creating that feel, even with great communications, people can connect with what you are trying to achieve is important, although you can't reach everyone, you have reached enough that between what you have been able to achieve and what they are hearing is consistent." From this perspective, conversations served as the catalyst for change.

To illustrate further, the following demonstrated that utilizing leadership conversations creates opportunity for a new mind set, a framework for thinking about and leading complex change:

There is real possibility in creating breakthroughs / being innovative with change, using structure and bringing in the right people. We were the first to create conversations because we brought all the people into the same room, all the stakeholders into one room to discuss the challenges and impacts to the company using this structured approach to conversation, we did this through conversations (*Strong*).

This category of description focused on leadership conversations where an element of time and urgency was significant in order to begin a process of creating broader opportunities for organizational understanding.

It became apparent a shift in meaning between Category 2 and 3 emerged and that leadership conversations and their meaning must occur at both the individual level, as well as the organizational level. Leaders recognize that alignment with and understanding the vision of what they want the future to look like emerges with this next

category of description when leaders began to express their conversation experiences as leading to higher levels of organizational alignment.

### **Category 3 - Mindful Awareness**

Leadership conversations are mindful, a process of continually orienting, adjusting and creating opportunities for deeper, more meaningful possibilities.

The central theme for this category was the ability of leaders to openly discuss their awareness of what they are saying while they say it, and that they are very much aware of the impact of their words. While conversations are purposeful and framed, conversations go where they need to go based on the variety of perspectives and interests in the conversation. This process provides an opportunity to see things from more than one perspective and provides an opportunity for learning for everyone involved in the conversation. There was a tendency for the participants to shift from talking about their direct reports to discussions with peers and more senior positions in the company, as well as the need to influence within and across the organization. This was expressed as a sense of personal responsibility and included the processes of making decisions, setting goals, and implementing actions. Leaders experienced leadership conversations as connected to the strategic intent of the organization and to what they were trying to achieve while keeping in perspective the need to manage all the significant challenges and changes.

Being mindful is a way of thinking and engaging and paying attention to what matters. Leaders can inspire people to be agents of change by seeing things from more than one perspective. *Taylor* described it as “Trying to get the crux of it and to the barriers. Sometimes we send mixed messages, there are so many priorities out there, and people are being told about all the priorities, all the barriers. We want people to develop; to develop the ability to see the path forward.”

Expanding one’s comfort zone and experiencing new things appears to create circumstances for developing mindfulness and for acting mindfully. Leaders indicated that they were more likely to understand others, learn from others, and incorporate that learning into their own behaviour. The subject of self disclosure and how it contributes to opportunities for achieving more meaningful possibilities was articulated a number of times. *Lyon* expressed it as “this is positive for me, to move my own self up to the level I need to be operating at, letting go. These are very fresh changes and I try not to let them see me being upset or frustrated,” and *Taylor* who was “willing to be open, and this makes a big difference, sets the tone and then I can expect them to respond similarly, this provides comfort.”

It is at this stage that a shift in perspective takes place and another differentiation between categories. In this next category, the meaning of leadership conversations broadens for leaders engaged in leadership conversations with their direct reports. It suggests that the meaning of their conversations involve not only addressing individual and team dynamics, but the execution of changes at an organizational level. The complexity extends to system-wide changes and their conversations are viewed as instrumental in influencing significant culture changes in the following two categories.

### **Category 4 - Building Shared Commitment**

Leadership conversations develop genuine relationships based on authenticity, foster a sense of personal accountability, and build shared commitment.

In this category leaders experienced intrinsic benefits from their leadership conversations, in terms of enhanced personal meaning. Within this way of experiencing, leaders approached their conversations with a sense of passion, led discussions to focus on key messages, and managed to build understandings around the common vision for

the organization. *Campbell* expressed it as “...the conversations are most effective when they are face-to-face, one-on-one and you are able to create intimate conversation and discussion around a common theme.”

People want to know about direction and purpose: "Where are we going?" "How will we get there?" "What can we do to make a difference?" They want the message face-to-face from the person leading. Senior leaders embody the direction, purpose and values of the organization. They understand the need to get closer to their people.

*Cooke* described it as:

I often look for common ground, sometimes it's a different approach and tactic, when I look at my peers or superiors, there is more done outside of meetings than in the meetings. When you start to look at parts of the business, once we articulate where we are going, how do we engage people first, it's not best done in committees, it's done outside the committee or meeting.

Effective visionary leadership situates the work of organizational units within a larger framework, giving their work greater meaning and significance. When a vision is challenging, it generates excitement, increases involvement, and inspires outstanding performance. When people's actions flow from a commitment to a shared vision they become more empowered and responsible, and they want to contribute their best. A clear vision provides a guiding framework for organizational change and improvement.

*Taylor* extended this meaning further by:

Although you can't reach everyone, you have reached enough that between what you have been able to achieve and what they are hearing is consistent. As a leader you are trying to build that common vision across everyone in the organization, which is the ultimate goal, working through my peers and direct reports is one of the tactics to getting there. Getting them to become leaders, getting those

managers inspired and to become leaders, keeping the eye on the ultimate goal and reaching all employees in the end is key.

Leaders expressed their commitment to fostering shared meaning beyond their direct reports and peers to a responsibility to extending their reach out into the organization and beyond.

This category of description had meaning for senior leaders they articulated as intimate conversations, the challenge in building understanding and commitment to current goals, and future possibilities. This meant taking the message and not just communicating it across the entire organization, but building a genuine relationship with your team and engaging accountability through this dialogue. *Taylor* expressed it “when you talk about a vision, people are listing all the things that still need to be done, and it's tough for them to get beyond next year's goal. Part of my role is articulating what we are trying to achieve and listing all the initiatives that need to be addressed, and being able to demonstrate to them continually that we are moving in the right direction.”

### **Category 5 – Guiding the Change**

Leadership conversations guide an organization in achieving something significantly or fundamentally different from what they have done before.

Change leadership implies that leaders have a responsibility to guide an organization through a course of change by providing direction and support throughout this process. Today's work environment is diverse, complex, and characterized by constant change. When teams lack clear priorities or alignment, or have conflicting agendas, it is difficult to get the necessary understanding to carry strategic initiatives to success. To reach its full potential, an organization must get aligned so that all processes are moving in the same direction in a concerted approach. It requires

a keen understanding of alignment principles, systemic thinking (the ability to perceive, integrate, and align complex systems), and the ability to read and influence individual and group needs, motivations, and commitment. But when leaders share the values and vision with their teams, and when everyone collectively understands the key drivers and the strategies that are being employed to address them, then everyone can be collectively committed to the major strategic efforts of the organization.

Leaders talked about the importance for them to drive the strategy and set the overall tone of the organizational changes as they see this as instrumental in how their direct reports accept and commit to these changes. *Saunders* indicated the importance the leadership team conveys through delivering a message that they trust and feel committed to:

It's not one person delivering a message. I do rely on others to support and move the conversation and change along. It is a message that everyone delivers, it's a message on behalf of the team, everyone's message. It is not a message the president delivers, it is a message we are all delivering. We are doing this because it is the best direction for the business, it is more effective, it is the team message, and it is the right thing to be doing.

Leaders are encouraged to exemplify change leadership behaviours, set a vision, and communicate effectively in a way that their organization understands and will want to follow the new direction of change. Business transformation implies radical change with the aim of developing new and different ways of working. A number of the leaders at this organization believe that the current environment is telling them they need to be prepared for even more changes in policy, technology, markets, and industry structure. They are at a point in history where uncertainty and change will reshape their industry.

## ***Relationships between the categories of description***

Relationships between the categories of description present both similarities and differences or variation between the categories of description of leadership conversations. The categories are defined and arranged hierarchically through their differences. Often this hierarchy is described from less comprehensive to more comprehensive. There are three different perspectives within the five categories: an individual perspective, a process perspective and a transformation perspective and they add a dimension of variation to the outcome space. The focus within the grouping broadens as the categories become more comprehensive, which effectively increases the scope of the perspective.

The individual perspective is focused on leadership conversations as a communication tool. Conversations while planned and structured, are executed with a specific purpose of creating understanding and influencing behavior at the individual and team level.

The process perspective suggests that change takes place because of communication and conversation. Leaders engage in conversations that suggest that the challenges facing them go beyond what needs to be done differently, but they must also address how to execute these decisions in a manner that has the greatest possibility for success across the organization, implying a need to ensure conversations are directed at change at an organizational level.

The transformational perspective focuses on leadership conversations influencing managing system-wide changes. As a group, the senior leaders that participated in this study viewed their discussions with their direct reports as a series of structured conversations designed to support changes, which in turn allows for new opportunities for the organization and new possibilities for



action and change. In this sense, their conversations are not only a tool for shaping strategy and culture, building shared commitment to the strategy and driving the process of organizational change and learning; they are much more. Their conversations are instrumental in influencing the relationships between members of the leadership team, their direct reports and among all stakeholders inside and outside of the organization.

### ***Concluding Remarks: Key Findings***

The purpose of this study has been to build a deeper and broader understanding of how senior leaders experience and interpret their leadership conversations with their direct reports during organizational change initiatives. This study was designed to advance knowledge in increased understanding and new knowledge about how leadership conversations can contribute to organizational change theory and examined how the experience of each participant is an internal relationship between the participant and the phenomenon, leadership conversations.

These observations and recommendations are based on the full doctoral dissertation.

1. Senior leaders shared common views on several leadership challenges indicating the significance of recognizing the importance that leadership (in the context of their conversations) was most effective when they demonstrated the ability to listen, when they engaged in collaborative and generative conversations, and when they were able to develop a shared commitment to any organizational wide change effort.
2. Leaders emphasized the need for employees to be emotionally attached (engaged) to their work. The organization will need to grab hold of employees emotionally, through a revived business model, purpose and sense of value.
3. Leadership behaviours that are authentic, accountable and collaborative are supported by self-awareness, self-regulation and motivational skills. Leadership conversations were as much about the ability to inspire through words and interaction as to taking the time to actively listen.
4. Many of the senior leaders believe that shared values enable transformation. The reason for this is because people who agree on what they aspire to can make decisions independently, exercise accountability and do not work at cross purposes.
5. While collaborative leadership represents a new approach to decision making, working across lines of business and with teams in a matrix structure, collaborative leadership is not a given. It requires shared control, trust, understanding differences, and delivering through people and resources outside of their control.
6. Based on the variation and hierarchy of meaning associated with leadership conversations, the research findings suggest that leaders respect and mobilize the extended leadership team through their direct reports and the importance of achieving cultural change through a critical mass.
7. Several of the senior leaders talked about the struggle direct reports had with prioritization and the need to be brutal with sticking to a few key priorities. There is a need to keep hammering away on priorities, every reporting period, at every opportunity to communicate and interact.
8. The results of this research suggest there may be approaches that are more conducive to helping to develop the opportunities in organizational life that consist of moving from conversation to conversation, and knowing when to create opportunities for creating spaces for conversations.

9. The results of this research suggest a clear shift toward skills that are tied to relationships and managing change; seeking to involve other people in the process; building important relationships and working across boundaries to collaborate effectively.
  
10. Leadership conversations have potential for inclusion in the change infrastructure and process, changing the way we think about and undertake change. This is critical to providing greater flexibility for leaders to respond faster to changes in their business and in accomplishing change goals in time frames beyond expectations and increasing the probability of success.