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# **Leaders' Full Engagement Determines Success During Organizational Change Implementations**



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## LEADERS' FULL ENGAGEMENT DETERMINES SUCCESS DURING ORGANIZATIONAL CHANGE IMPLEMENTATIONS

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### EXECUTIVE SUMMARY

One of the key challenges in profit organizations is how to use an effective change model that will predict a certain degree of success. Unfortunately, some change management models are mainly focused on the implementation phase: how to deal with resistance and work out barriers. This is important; however, data supports that the phases before and after introducing the change are fundamental to ensuring that the change is sustainable and will become part of the organizational culture.

Additionally, studies have found leadership to be important in success. These studies are against a very leader-centric approach, which entails the leader driving the change through personal involvement, persuasion and influence. On the other hand, more facilitative and enabling leadership was successful. This article will address the leader's role in the change management process within organizations, stating that leaders have an active role from the change beginning to the change institutionalization. Specifically, change becomes more effective when those leaders maintain their active participation throughout the entire change process, and not just at the beginning to sponsor the change start up. John Kotter's change model will be the framework for this article. The model defines eight specific steps to deal with change, which include:

a) establishing a sense of urgency; b) creating a guiding coalition; c) developing a vision and strategy; d) communicating the change vision; e) empowering employees for broad-based action; f) generating short term wins; g) consolidating gains and producing more change; and, h) anchoring new approaches in the culture.

Moreover, case studies at Jeppeson, GE Capital and PepsiCo show that when leaders maintain themselves as active members in the process, the success and results are better.

Tools, models and ideas presented in this article reinforce the importance of active leadership in a change process. Leaders must create the case for change by effectively engaging others in recognizing the business need for change, creating structural change, and ensuring that the change is based on a depth of understanding of the issues and supported with a consistent set of tools and processes. In addition, leaders must engage others in the whole change process and build commitment; implement and sustain changes by developing effective plans and ensuring good monitoring; and facilitate and develop capability by ensuring that people are challenged to find their own answers and that they are supported in doing this. Leaders can determine successful change implementation if they are aware and actively engaged during the process.



## INTRODUCTION

A simple observation of reality permits anyone to confirm that change is a constant variable at any time, in any place, and for any entity. The corporate and profit worlds are no exception, especially when technology and globalization drive the course of economies in today's world. Organizations need to learn how to adapt themselves to change their structures, products, services, culture, resources and processes in response to the current, rapidly changeable environment. Change is part of daily organizational life.

This topic becomes relevant especially when many organizations have introduced dramatic changes into their internal and external processes, sometimes successfully, yet most of the time unsuccessfully or with confusing results in terms of profit return and market share. Although the growing need for change in organizations is widely acknowledged—considering that 70% of changes fail—there is no conclusive answer about why changes fail. There is a need for empirical work to demonstrate the real cause. However, within the growing literature on change leadership, there are assertions that the root cause of many change problems is leadership behavior (Higgs and Rowland 121).

Consequently, one of the key challenges is to find an effective change model which will predict one way to succeed.

Change in large companies has become an almost-daily onslaught of initiatives, strategies and flavor-of-the-month programs. Rarely do these efforts link together, integrate, or sustain—and rarely do they address the most critical success factor in sustainable change—changing people's behavior. (Schmidt and Jackson 1)

Based on this need, different approaches to deal with change have been created to help organizations be successful. Some of those approaches are uniform, considering “change as a predictable phenomena” (Higgs and Rowland 126), while some other approaches are more disseminated and differentiated, based on a concept that change is a complex phenomena. However, whichever approach is used to deal with change, there is a common variable that determines success in the process: the leader's role. Which leadership behaviors tend to be associated with effective change management? What is the leader's role in a change management process? Specific research on approaches to change show there is no single answer to these questions. However, it is possible to define specific guidelines to help leaders

improve their skills and knowledge, and, consequently, their possibilities of success.

This article will address the leader's role in the change management process within organizations, stating that leaders have an active role from the change beginning to the change institutionalization. Specifically, there are case studies about how change becomes more effective when those leaders maintain their active participation throughout the entire change process and not just at the beginning to sponsor the change start up. A specific change model (Kotter 8) will be the framework for this article. The model defines eight specific steps to deal with change; additionally, three case studies help to illustrate how, when leaders maintain themselves as active members in the process, the success and results are better.

Tools, models and ideas presented in this article reinforce the importance of active leadership in a change process. Leaders are responsible for creating the case for change by effectively engaging others in recognizing the business need for change, creating structural change, and ensuring that the change is based on depth of understanding of the issues and supported with a consistent set of tools and processes; engaging others in the whole change process and building commitment; implementing and sustaining changes by developing effective plans and ensuring good monitoring; facilitating and developing capability by ensuring that people are challenged to find their own answers and that they are supported in doing this. Leaders can determine successful change implementation if they are aware and actively engaged during the process.



## FINDINGS AND ANALYSIS

### Change Management Models

It is important to choose a change model appropriate to the specific situation. Higgs and Rowland reported two major trends on change management approaches: one states that change is a linear process and organizations are systems trying to stay stable in an equilibrium. Then, the model approaches are more linear and predictable. A second approach states that change is a complex process and recognizes the difficulties of constructing structured approaches to change. Based on this evolutionary and complex view of change, the change model is not easily implemented in a “top-down” approach or on a uniform basis (123-127).

Both approaches are valid, depending upon the context and the type of change to be addressed. Higgs' and Rowland's research shows how, in high-magnitude changes (changes that impact a large number of people and multiple parts of the system), the most effective change approach is a model that includes a wide range of interventions, a few big rules and a loosely set direction. In this approach, change can be initiated anywhere in an organization, but usually there is frequent contact with clients/customers. For small scope changes and changes within organizations whose managers are learning to manage change, a linear approach is highly recommended. If accountability for change lies with local managers and change is easily controlled and managed, a model with a simple theory for change and a few rules of thumb can be used. This article will address changes with narrow scope and controlled implementation; thus, the change approach used will be John Kotter's linear model, which uses a practical approach, one that can easily be implemented by any manager.

### John Kotter's Model

John P. Kotter is a qualified author who belongs to the Harvard Business School. He has written several business articles around change management. Kotter became famous after writing the bestseller, *Leading Change*. He has also co-written *The Heart of Change* with Dan Cohen, which presents practical examples around his change model.

Kotter proposes an eight-stage process which includes: a) establishing a sense of urgency; b) creating a guiding coalition; c) developing a vision and strategy; d) communicating the change vision; e) empowering employees for broad-based action; f) generating short term wins;

g) consolidating gains and producing more change; and, h) anchoring new approaches in the culture. It is valuable to highlight how Kotter's model proposes an approach where there are three previous preparation stages before change takes place and another three after it has happened. This implies that a leader would need to adapt his/her behavior before, during and after a change process. Kotter also provides analysis of how the change process will demand different types of competencies. It is important to describe each of the eight stages and later describe how a leader would behave in each one to be successful.

#### ➤ a. Establishing a sense of urgency

At this stage, Kotter proposes examining the market and competitive realities, identifying and discussing crises, potential crises, or major opportunities. In order to get support and cooperation from all of the constituencies and stake holders involved in any change process, it is fundamental to establish a high sense of urgency. This urgency will give people clear motivation to change the status quo, especially when their own interests are being affected. Change involves different kinds of resources (time, money, power); with a high level of energy, based on a clear understanding of the “why to change,” there will be more willingness to be successful in the transformation process (Kotter 36).

#### ➤ b. Creating a guiding coalition

One of the critical steps in Kotter's model is to create an effective team that can lead and manage the change effort. Position power is the first criteria to consider; the decision maker must be sure to involve the key players and to never leave out those who could block the process from being considered. At the same time, the group diversity is fundamental, especially because of the need for different points of view to address the problem properly (Kotter 57).

#### ➤ c. Developing a vision and strategy

In this third step, Kotter suggests creating a vision to help direct the change effort and also to help develop strategies for achieving that vision. A vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. It clarifies the general direction for change, motivates people to take action in the right direction and helps to coordinate the actions of different people. A good vision is imaginable, desirable, feasible, focused, flexible and communicable. A vision wouldn't be complete without a grounded strategy. This answers the question about how the transformation would happen (Kotter 67).



#### ➤ d. Communicating the change vision

Leaders must use every vehicle possible to constantly communicate the new vision and strategies, and have the guiding coalition model the behavior expected of employees. Kotter recommends keeping the communication simple, eliminating jargon and techno-babble. He also recommends the use of metaphor, analogies and examples. Multiple forums and repetition are useful. Leaders must be an example of behavior and eliminate inconsistency through explanation when it seems to be important. Finally, two-way communication is always best (Kotter 85).

#### ➤ e. Empowering broad based action

This means getting rid of obstacles, changing systems or structures that undermine the change vision, encouraging risk taking and nontraditional ideas, and promoting activities and actions. During this stage the change happens. It is the most critical one, since resistance and barriers arise, sometimes from unexpected sources or people. Communication and capability creation play an important role because, most of the time, resistance comes from fear toward unknown situations or lack of skills (Kotter 101).

#### ➤ f. Generating short term wins

This sixth stage requires visible plan improvements in performance; later, it implies visibly recognizing and rewarding people who made the wins possible. Short term wins provide evidence that sacrifices are worth it; rewards for change help fine-tune the vision and strategies; short term wins undermine cynics and self-serving resisters; they also keep bosses on-board and build the momentum (Kotter 117).

#### ➤ g. Consolidating gains and producing more change

This phase implies the use of the credibility already created to change all systems, structures, and policies that don't fit together and don't fit the transformation vision. It also requires auditing the new process standard to ensure change has happened. At this point, hiring, promoting, and developing people who are ready to continue with change implementation reinvigorates the process with new projects, themes and change agents (Kotter 131).

#### ➤ h. Anchoring new approaches in the culture

This last phase in Kotter's model demands ensuring that "change" is part of the organization's culture: this means that the policies, procedures, manuals, orientation and training programs, compensation, rewards and recognitions, communication events, and all "institutional"

processes have included the newly implemented process. The outcome will be a better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management (Kotter 145).

#### A Leader's Role in Change Management

For the purposes of this article and in the context of change management, a leader is defined as a person in any organization who takes on a critical role in actively endorsing a change implementation and its sustainability (PepsiCo 32). The following section will describe the way leaders can embrace change and play a critical role all the way through the change management process, using Kotter's eight-stage change model.

Considering that in any organizational change process there are different incumbents, it is important to clarify why leaders play a critical role in the process. This does not mean that implementers, technical support teams, and physical and monetary resources won't play an important role. However, based on research about "effecting change in business enterprises, leadership was found as one of the three critical factors for success in change. The other two factors were alignment across the organization and management of competitive pressure" (Guy and Beaman 23).

Some research reports that to ensure proper engagement across the organization toward what to change, 80% of the interviewed executives recognized that knowledge and competitive leadership were critical in the process; 83% pointed to leaders' commitment, and 73% mentioned employee involvement (23). As this data points out, it is critical for change success to have leaders engaged during the entire change process journey.

There has been valuable research done by Higgs and Rowland, who are professors and certified researchers at the Henley Management College, one of the top ten schools related with Change Management in Greenland, Oxfordshire, U.K. Their research reports that a leader's behavior will influence his/her approach to change and its implementation. They go on to define five broad areas of leadership competency associated with successful change implementation:

- Creating the case for change: effectively engaging others who may not recognize the business need for change.
- Creating structural change: ensuring that the change is based on depth of understanding of the issues and supported with consistent set-off tools and processes.

- Engaging others in the whole change process and building commitment.

- Implementing and sustaining changes: developing effective plans and ensuring good monitoring and review of practices.

- Facilitating and developing capability: ensuring that people are challenged to find their own answers and that they are supported in doing the change. (127)

#### ➤ ESTABLISHING A SENSE OF URGENCY

At this stage, a leader's role is to create the rationale for the change: why change? why now? A case study documented by Gerry Schmidt, PhD, and Lisa Jackson, principals of Matrix Consulting Group, Inc., illustrates this practically. They presented the case of Jeppesen, Inc., which is a premiere provider of navigation tools for the aviation industry. At the beginning of 1998, Jeppesen was facing a significant challenge: to make their products available electronically or become obsolete and go out of business. Mark Van Tine, a CEO with strong IT credentials, was hired the same year to face the transformation challenge. There wasn't a sense of urgency: for 70 years, strengthened by a regulation which mandated the use of their product, there wasn't any real competition; no crisis and no changes for several years allowed the leadership team and the 1,800 employees to go about their work enjoying their success. Mark Van Tine came into his role with a vision: while the company's product was fundamentally article-based, he knew the future was in digital information delivery. The question was how to establish a sense of urgency for this vision among his employees. How could they align a new senior leadership team around the new vision? How could they convince 1,800 people, who had succeeded together as a publishing company that their company's future was at risk? All of this came at a time of increasing industry pressure from airlines to lower costs, improve quality and service, and make products more user-friendly.

What the Jeppesen leadership team decided to do was create a large-scale communication campaign to deliver the business case for change in 30 one-day sessions with all 1,800 employees. Twenty-eight change agents were selected and trained to deliver the sessions. These included managers and front-line employees who were committed to change. Within three months, the place was on fire. Ironically, so much energy and ownership was ignited that the process got a little ahead of itself (2-4).

Leaders played a critical role in the process. First, previous to this communication process, they had several

meetings to align among themselves and understand the reason for change. It was not easy to align all of them around the new vision and strategy. At the end of these meetings, the senior leadership team understood that the new company was going to require a very different culture from the old one. And they agreed to expand this sense of urgency all across the organization (5).

A second business case study used to illustrate change management application is a PepsiCo experience in implementing specific best practice changes around the world between 1996 and 2006. It explains the learning obtained from ten years of experience implementing operations and sales initiatives. These experiences show how, by using a linear model, it is possible to be successful, particularly when change is narrowed to specific initiatives located in specific departments. PepsiCo reports two unsuccessful change implementations (one in China, in 1998, and the second in Mexico, in 1997) where the implementation team tried to implement a best practice tools, without engaging the bottler's top management, by presenting a business case study with data about why the sales distribution system needed to be changed (PepsiCo 23). More information from PepsiCo's experience will be addressed in the following sections of this article.

#### ➤ CREATING A GUIDING COALITION

Higgs and Rowland reported that successful change implementations are linked with some specific leadership behaviors that create a guiding coalition. To create an effective guiding coalition, authors recommend leaders help others to deepen their understanding of the business need for change; communicate and have open discussions with change agents; and let different kinds of employees be part of the change team (127). Diversity enhances points of view and guarantees influence all across the organization. What this shows is that after creating a sense of urgency, leaders must use that business case information to engage all employees and make them align with the need for change.

A guiding coalition can be considered a team, formed by a "small number of people with complementary skills who are committed to a common purpose, performance goals, and a unified approach for which they hold themselves mutually accountable" (Katzenbach and Smith 14). The authors emphasize the importance of size, considering that a large number of people have trouble interacting constructively as a group, much less agreeing on action specifics. Logistically, issues like physical

space and an agreeable time to meet together arise with a large number of members. The solution would be to divide the group and create several teams (8-10 members each) or define one “core team” with extended teams or groups that support the main team purpose.

Besides the size and common goals to be successful in a guiding coalition, PepsiCo’s business case suggested that the members of the team write a contract where all incumbents have a clear definition of their roles (PepsiCo 25):

For the sake of modularity, it is important to consider a contract as a document that details a binding agreement between all parties. It usually concerns a change implementation process. A contract provides a formal structure without having a legal connotation, but it remains flexible. It is not about the spaces on the contract. It is an expression of an open, honest conversation with those we support, and the agreement with which we can both live. That is why the written signature is not mandatory. The contract represents a moral commitment. (PepsiCo 26)

Some change initiative case studies report an increase of 38% in their effectiveness when leaders started to use a contract as a way to integrate guiding coalitions; the tool was also used to clarify roles and responsibilities (32).

Who should be part of this guiding coalition? Schmidt and Jackson (4) agreed that it is important to enroll strong champions of the change effort. One must have the right people in terms of power, relationships, influence, and capability. Since complementary skills are the main purpose of the team formation, diversity and inclusion are the keys to integrating change initiative teams. Katzenbach and Smith have studied that in a diverse team, the team integration demands a longer process; however, great change implementation and better solutions could arise from these types of teams (35).

At this stage, leaders play a sponsorship role: “When key corporate and local leaders are seen as sponsoring and endorsing the goals and mechanisms of change, it encourages alignment at the organizational and departmental levels. Sponsors should communicate compelling reasons about why change needs to occur” (Guy and Beaman 22).

Peter Senge et al., a recognized authority in learning organization and change management topics at Harvard University, recommends that leaders demonstrate they have the ability to work on relationships with associates and secure positive attitudes. These are essential competencies for implementing change, “especially in today’s enterprise environment where people involved in change initiatives need enough flexibility to devote time to reflection and practice” (Senge et al. 5). Senge et al., emphasize that the challenges of initiating change develop as soon as any pilot group begins to work, especially because members express lack of time to invest in change projects, lack of help from corporate officers, lack of coaching or guidance, and other phases related to typical resistance during change implementation.

### ➡ DEVELOPING A VISION AND STRATEGY

Schmidt and Jackson define this stage as “establishing direction, by creating a clear expectation and a compelling story that engages early commitment from key stakeholders. It ensures the project will link with the business strategy” (4). The same authors reported in the Jeppesen case study that the executive team created a common vision, which helped them to become aligned among themselves. A series of interviews and off-site meetings for the CEO and his direct reports were held to map out a new vision and strategy via a process that led to agreement and understanding about its tangibility. The CEO reported:

On the other hand, PepsiCo case study reports a successful organizational transformation within the Latin American Region during the years between 2003 and 2006. The organization health survey showed that 85% of people considered that having a clear vision, mission, values and strategy, helped them believe in the change and move onto the transformation (53).

### ➡ COMMUNICATING THE CHANGE VISION

Guy and Beaman reinforced the vital importance of communication in change management. Based on their research, they found that the following approaches to communication are most effective in achieving success: clarity, continuity and constancy. The communication must also be reciprocal; management has to listen as

well as talk (15). Communication is a continued process during the change journey. It is not just an isolated stage after the vision creation—which could be misunderstood from a superficial review of Kotter’s Model (Kotter 67-84).

Guy and Beaman also found that “successful implementation is greatly facilitated when the people carrying out the change are engaged in the process and buy into the strategy and tactics. Ideally, this should involve: acceptance, understanding, willing participation and enthusiasm. Achieving this requires a two way communication process” (17).

Finally, based on the Jeppesen case study, the goal in effective change to produce ownership among employees required monthly forums, in which employees were able to ask questions and get answers from senior leadership (Schmidt and Jackson 6).

### ➡ EMPOWERING BROAD BASED ACTION

This is the step where change happens: the new process is implemented; the new technology takes place; the new structure is executed; the new management arrives, etc. Understandably, the leadership role changes here from the previous stages, where the leader’s role was mostly to draw and communicate the change based on a business case. In this last stage, leaders mostly need to face reality and work out resistance and barriers.

Senge et al., report that self-proclaimed “change agents” often complain that “people resist change.” However, from a systems viewpoint, it is not the people “who are resisting,” rather it is a system functioning to maintain its internal balances, as all living systems do. That’s why it is possible to differentiate resistance from barriers, understanding that resistance comes from the systems and barriers from people who are opposed to the change (16).

How can a company deal with resistance and barriers? What is the leader’s role? PepsiCo’s case study reported that in 75% of its successful implementations, leaders attended the entire training for the change; included the change project as part of the key players’ annual objectives; revisited, updated and discussed the change business case during change effort follow up meetings; allocated the resources agreed upon for the project; reviewed, evaluated and followed up on the change implementation process and its milestones; made the change part of the management review meeting agenda; kept themselves actively engaged in the process of

persuading, convincing, and negotiating with all the key players who could facilitate the change implementation; talked to and asked people about the progress, and rewarded or applied pressure to gain support for the new change(53). These behaviors were helpful to PepsiCo leaders in embracing and confronting the typical barriers expressed by people who opposed the change.

Another good example to illustrate this important phase comes from a GE Capital case study. The case study presents the entire process for how GE integrated acquisitions starting in 1995. The acquisitions and merges made by GE were successful because of a good change management process application. Mergers and acquisitions are thought to be change efforts, because they produce pain and anxiety. They involve job loss, responsibility adjustments, derailed careers, power dismissal and much else that is stressful (Ashkenas et al. 166).

Ashkenas et al., report that to manage change during an integration, it requires leaders to be engaged and preoccupied with running the company and, also, to be thinking about how to integrate the cultures, processes, and people. A leader should be available, so people can talk to him/her freely, and s/he can help the employees to understand “how things work at GE Capital” (169).

In order to manage integration change properly, the authors recommend that leaders have strong interpersonal skills and sensitivity toward cultural differences. All leaders must have the ability to facilitate groups and show a deep knowledge of how the new company works (172).

The GE experience reinforces what Guy and Beaman reported: the top three key competencies for implementing change are effective communications, building trust, and achieving collaboration (5-6).

### ➡ GENERATING SHORT-TERM WINS

Celebrating and recognizing short-term wins is especially important considering that not all of the change efforts imply a win-win situation; some changes inevitably result in lay offs or in loss of staff, responsibilities or budget. Under these circumstances, it is difficult to motivate the “losing” departments or individuals; even the imminent collapse of a burning platform may not motivate a unit to favor a change in which it sees itself as affected. Overcoming such challenges cannot always be done without pain, and have to be handled on a case-by-case basis (Guy and Beaman 20). Celebrating early wins helps



to reinforce that the change effort is giving pay back, at least to benefit the rest of the organization. Celebrating is not an easy task. How can a company, or a leader, talk about benefits when in some change efforts, like during GE acquisitions, people are scared about losing their jobs? Ashkenas et al., report that when companies are purchased, the acquiring company often puts its own people in charge, changes policies and procedures, restructures, consolidates, and generally takes over. So people walk onto the stage of the new company feeling anxious, insecure, uncertain, and even angry. The authors recommend that even when the news is bad, the one thing the staff of a newly acquired company appreciates most is the truth (Ashkenas et al. 172-173).

The PepsiCo case study reports that 87% of their change leaders were evaluated highly in their change leadership capabilities, because they celebrated successes of the change implementation, recognized achievements from key players in their annual objectives, committed the resources to sustain the project, followed up on the change implementation with the project leaders, and applied audits to guarantee change sustainability (63).

## 6 > CONSOLIDATING GAINS AND PRODUCING MORE CHANGE

As described earlier in Kotter's Model, this stage implies change consolidation and specifically requires auditing the new process' standard to ensure change has happened. Ashkenas et al., presented a case in point when they described how GE uses audits during its change integration/acquisitions management to review how integration is happening. This helped them to ensure that the acquired company was making its practices consistent with GE Capital requirements and standards (170). Another way to review gains and produce more change adjusting implementation is presented by a PepsiCo case study. The case reports the use of an audit tool named a "health check." "A Health Check is defined as a checklist of questions and/or statements containing key change process principles and steps" (PepsiCo 80).

Health checks in PepsiCo, as audits in GE Capital, are used to measure if change has been properly implemented. The case study stated that this tool became powerful when leaders used it. A good example was presented in China, in 1999, when new product displays were introduced. Once the distribution center managers started to apply the "health check," the project results jumped from 35% to 87% of satisfactory implementation in three

months. It means that in 52% additional stores, the new product display was put in place. The examples also reflected how, when leaders get engaged in change monitoring, it has a positive effect on the change process. In PepsiCo change implementation initiatives, "health checks" are used by leaders as a motivational tool. They provide objective information to measure standard completion and then the possibility to reward and recognize those who have done the job properly. Tracking and measuring is the key in this stage. Leaders must follow up and measure to give the right message to the organization. Guy and Beaman report that effecting change is no longer compartmentalized or externalized; rather, executives at all levels of the enterprise are seen as having important roles in change management. However, day-to-day managing and sustaining change is more clearly assigned to the local unit leaders at the line level (11-12). What is important in this study is that all leaders play a role in sustaining and evaluating change no matter the area, the level or the role.

## II > ANCHORING NEW APPROACHES IN THE CULTURE

The last stage in Kotter's Model demands leaders ensure the change initiative becomes part of the enterprise culture. For the purposes of this article "company culture" is how things get done in the organization, including execution and operation of vision and strategy; internal and external communication; problem-solving and decision-making processes; how teams are launched and supported and how meetings run; how cross functions get coordinated and ensure collaboration; how people are hired, fired, paid and promoted and held accountable; how the organization handles conflicts and how it responds to stress. Whether or not leaders realize it, culture is either accelerating or dragging down their business' performance (Schmidt and Jackson 2).

According to John Kotter and Dan S. Cohen, during this phase leaders tend to fail. This happens because they do not have clarity on all of the organization's cultural processes which need to be modified (160-176).

The GE Capital case study properly illustrates this stage. It describes how once acquisition has happened, part of the success is to have leaders implementing key cultural drivers, like reward and compensation systems, training programs that reinforce the new systems, and performance management systems which include objectives directed to sustain the new company systems. In those acquisition processes, many people need to

learn how to live together, and the values and mindsets of the acquiring and acquired organizations almost always differ. One of the ways in which the authors refer to a successful culture modification involves the organization of orientation and planning ses-

sions to incorporate the 25 policies and practices that need to be part of the acquired company (175-177). They also discuss the implications of differing business processes like how to go to market, how much to focus on cost, or how concepts of authority differ.

## CONCLUSION

The empirical and theoretical data confirm the importance of leadership during any change implementation process and, especially, how change can be successful when leaders keep themselves engaged during the entire change journey.

This doesn't mean that leadership behaviors should center on the position, role and power of the leader and his/her abilities, because this won't guarantee success. It does mean that the leader plays a critical role when he/she really gets involved in the change process from establishing starting points for change, to designing and managing the change journey, including communicating guiding principles, through the creation of individual and organizational compatibility. Leaders don't have a superficial role by just making others accountable or thinking about change.

Engagement means that the leader transforms his/her role over the change process as presented in Kotter's model. It is important to enhance the leaders' consciousness about how they can positively and negatively affect the potential success in a change process.

The process presented in this article will help them to understand their role and increase their effectiveness, so they can positively impact their organizations.

Business has always had to deal with change. Furthermore, "globalization, competition, and accelerated technological innovation are creating conditions under which change itself is changing. Change is becoming more complex and omnipresent, requiring enterprises to develop focused capabilities for change management" (Guy and Beaman 6).

In the past, change was only an episodic obligation associated with the occasional restructuring or market crisis; today, change management and leaders' roles in the process are increasingly perceived as permanent business functions that are essential to keeping the organization agile and adaptable in a continuously changing competitive environment. And CEO's surveyed around the globe by The Conference Board in 2004 seem to agree that speed, flexibility, and adaptability to change is one of their top two business challenges(6).



## RECOMMENDATION

This article has explored the leader's role in the change journey. It has demonstrated that a leader's role is not only about sponsoring the kick-off of projects, but it is about working with the challenges of change all the way through: leaders must identify resistance and overcome it; ensure that the necessary steps in the change process are taken; build and maintain engagement among their employees; and cautiously demonstrate commitment and support by creating a sense of urgency until the implemented change is part of the culture. The following recommendations will help an organization and its leaders ensure that they can have a positive influence in change. An organization must:

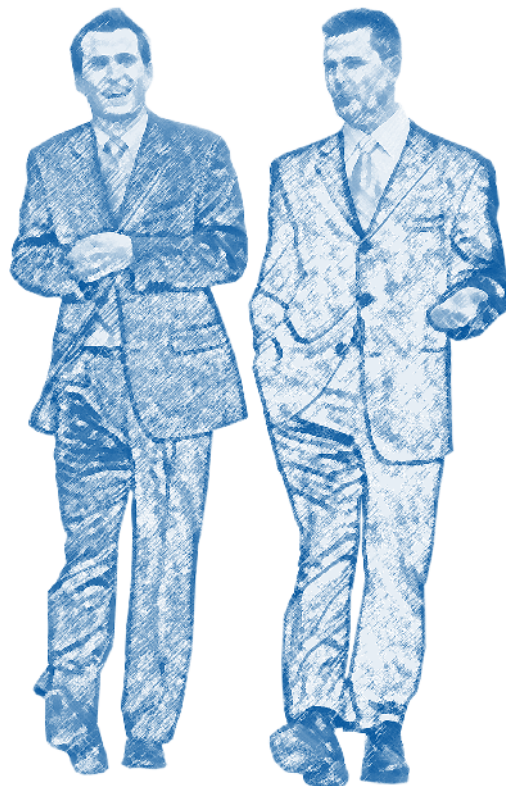
- 1. Ensure all leaders are educated on how change works and have clarity about the change model, tools and behaviors expected.
- 2. Periodically assess leaders' change capabilities. Apply measurements during the change design, implementation and sustain phases.
- 3. Establish a reward system which clearly states the performance expectations in terms of change management.

➤ 4. Define a clear competency system to assess change management during leaders' staffing, training and development.

➤ 5. Ensure leaders have clear objectives related with successful change management, especially those which would help to maintain their engagement during the entire change process.

➤ 6. Create change management and core change capabilities all across the organization, so everyone knows what to expect from leaders and, consequently, will demand from them those standard behaviors during change processes.

➤ 7. Track and measure every single change implementation, so leaders could see how important this topic is to the organization and use the data collected wisely. In summary, if companies follow these guidelines, their chances for having successful changes are higher, the organization suffer less and the business results get faster. The price to choose the easy way is high. Make your choice and engage your leaders into Change Processes.



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Gerry Schmidt, PhD and Lisa Jackson are principals of Matrix Consulting Group, Inc. As corporate culture experts, their primary focus is on the measurement of company culture, the step-by-step process of improving culture, and the impact on bottom-line business performance.

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