A Tale of Two Change Agents

by Dr. Alex Laufer

Money does not fight for you!

Alan, a division head in a large R&D organization, together with Bob, a department head in this division, had worked intensively, and for a long time, to obtain a $20 million-dollar development budget. This was the largest development budget ever allocated in the organization, and it was granted to create a new research unit in the department headed by Bob.

The new research unit was supposed to make the R&D organization more competitive. For years the organization enjoyed little competition, and only in recent years has the situation changed. Half of the research unit's budget was allocated for building a new lab and purchasing new research equipment. The other half was supposed to cover the cost of hiring and maintaining the researchers for the first five years.

Two years later, and after $2 million had been spent on the project by Bob, the recently appointed new head of the organization, cancelled the plan for the new unit and transferred the balance of the budget to another division in the organization.

Why was this project cancelled? Surely, it was not due to shifting research priorities. The demand for research in the field of the proposed new unit had only increased during these two years.

In turned out that several senior researchers in the department headed by Bob were fiercely opposed to the project. Some of them went on record saying that the new unit would compete for resources with their respective research areas, and in the long run might even bring about a complete shut down of their areas of research.

How did Bob handle this opposition? He conducted endless meetings with the opponents. The meetings were lengthy and polite, but mostly unproductive. He was trying to gain the support of the great majority of the opponents. Alan, his boss, was not aware of the opposition within the department, and being busy with other new projects did not bother Bob for a long time.

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Bob divided the project into two sub-projects – building the new lab and

purchasing equipment – and hired new personnel. He nominated two junior researchers to assist him in managing the two sub-projects, but he did not delegate authority and remained very active in leading both sub-projects.

Bob spent a lot of time trying to recruit researchers to the new unit. Though the salaries he offered were above the going rate, new researchers did not join. It turned out that they were very reluctant to join a department where several of the more prominent researchers voiced a strong opposition against the new unit. Since these candidates were in high demand all over, they could easily find other employers, and they clearly preferred a supportive research atmosphere to higher salaries.

Though Bob was very committed to the creation of the new unit,since he still had to run the existing department, his time for the new project was limited. At the end of the first year Alan found out that the project was virtually stuck. He asked Bob to nominate a senior researcher from the department,somebody without other administrative duties, to lead the project. Bob refused, and Alan, apparently still impressed by Bob's vital contribution in the early stages of securing this large development budget, did not press the issue.

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More precious time passed and the project failed to make any visible progress. When the new head of the organization took office, two years after the project was authorized,he conducted a quick inquiry. He found that Bob was very systematic in his recruiting effort, and while not even one new researcher was hired, Bob had already interviewed the entire pool of potential candidates. That is, the chances for recruiting quality candidates in the near future were virtually zero. Therefore, to make sure that additional money would not be wasted on additional research equipment, he terminated the project and transferred the money to three more promising departments in another division.

The inquiry found that the unprecedented huge budget amounted to a false perception of power and self-confidence. As a result Bob and Alan became complacent, failed to establish critical alliances, lost their sense of urgency, and did not push hard and fast enough to overcome opposition. The inquiry underscored the necessity of following through, i.e. implementation, and that it is impossible to move forward if you try to please everyone all the time. As the head of the organization concluded: "While the big budget clearly invigorated the opponents,

it did not help the proponents. Money can't serve as your change agent. It does not fight for you!"

"Go ahead and publish a cancelling ad"

At about the same time that Alan and Bob were conceiving and planning the creation of the new research unit, Alan was involved in another change. He was planning the creation of a program that would focus on attracting and employing excellent co-op students. While the organization had a well developed cooperative education program, for years there were talks within the division of establishing a program for attracting the best students. And for years this initiative was aborted again and again because the different departments within the division could not agree on the parameters of the proposed new program. This time, due to the fierce competition for quality new hires, Alan decided to create a new centralized unit to design and run the program.

Alan asked Judy to lead this co-op project. Judy, a young researcher who was recognized as an emerging star, held several meetings with the heads of the departments in the division. In principle, they all agreed to the project, but three months after project launch, Judy found herself exactly were she was at the onset. Judy submitted several different plans for consideration by the departments, but since the tradition was to reach a wide consensus, and no plan was embraced by all departments, nothing was approved. Moreover, since the departments did not trust the new central unit to treat them evenly, each one was worried that the "other department" would be treated more favorably with the allocation of the excellent co-ops.

Judy decided that she must act. She prepared a plan in which she attempted to best represent the needs of the various departments and submitted it to Alan for approval. Alan approved it and submitted it for approval to the head of the entire organization. When Judy heard from Alan that the head of the organization approved her plan, she published a big ad in the local newspapers. The ad described the highlights of the program,including the special benefits for the co-ops. Since she did not have money appropriated for the project, she charged the cost of the ad to her own research budget.

The next day Judy was summoned to the deputy head of finance. He scolded her, using the harshest language possible. Judy knew that by the book he was right. Though she had the consent of the head of the organization, she knew that officially to activate the program she needed approval of the heads of the departments and the entire forum of upper management, including the deputy head of finance.

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But she also knew that she was right. Everyone agreed that the organization badly needed the new program. Everyone also knew that using the formal way

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for approval, the program would have never seen the light of day. So she was ready to take the risk. Instead of backing off or apologizing she stood firm. Quietly, but firmly, she told the deputy head of finance: " You can go ahead and publish a new ad that will cancel my ad."

Two years later when Bob's plan was abolished and the $18 million was transferred to another division, Judy's new unit was thriving and other divisions were waiting in line to learn from her how to implement a similar program in their divisions.

In an era characterized by fierce competition and frequent change, all major projects, technological, business, and organizational, require a significant shift in thinking, beliefs, and behavior. Therefore, no project leader can be successful without the willingness to challenge the status quo. It appears the larger and older the organization, the greater the need and difficulty in challenging the status quo. The main lesson of these two tales is that the willingness and ability to challenge the status quo, despite the personal risks that it entails, is very often the most important factor in the success of a project.