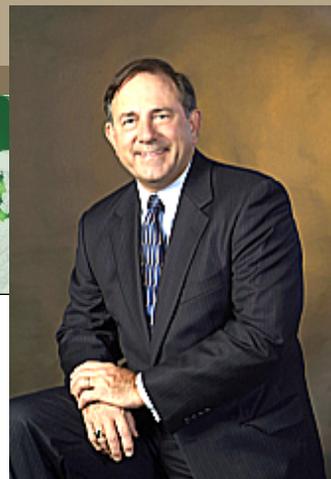


THE CHANGE CHALLENGE.....A Newsletter About Leadership

April 1, 2013



Issue: 56



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This Month's Articles

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Welcome to the April 2013 issue of *The Change Challenge*. Spring is here and the baseball season opens today (April 1st) with the Florida Marlins playing the Washington Nationals. The leadership that lifted the Nationals' from also-ran to potential champion is the subject of this month's feature article titled "***Inspirational Leadership in Washington.***"

The *Leading Change* article titled "***Leading Through Uncertainty***" suggests leadership conversations that are necessary to keep employees engaged in uncertain times like today. The *Results Through Relationships* article titled "***Forced Change Doesn't Work***" presents lessons learned relative to leading difficult organizational changes.

As always, your feedback and recommendations to improve this newsletter would be appreciated via return email or through *The Change Blog* at www.dickstieglitz.com.

Dick Stieglitz

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INSPIRATIONAL LEADERSHIP IN WASHINGTON

"If your actions inspire others to dream more, to learn more, to do more, and to become more, you are a leader." -John Quincy Adams

Unfortunately, the leadership was on the baseball field not in the White House or Congress. After winning 98 regular-season games, the Washington Nationals ended 2012 by losing 9-7 to the St. Louis Cardinals in the deciding game of their playoff - despite leading 6-0 after three innings. It was among the most colossal collapses in post-season history with lots of potential blame. One might say the team's failure was the baseball equivalent of the 2011 Super-Committee's failure to recommend a federal budget. Despite that ignominious loss, Davey Johnson, the Nationals' field manager, declared *"the World Series or bust in 2013."*

Davey's Swan Song

When he announced that he will retire after the 2013 season, the 70-year old Johnson doubled down on his expectations for the team. He said: *"With the job they did last year and experience under their belt from the post-season, it's going to be an awfully exciting year."* He engaged the players' pride by comparing them to his 1986 New York Mets team that won 108 games and the World Series. He boasted that the Nationals were the best defensive team he has ever managed and claimed that their starting pitchers, bullpen, and bench were as good as any of his six championship teams. Johnson said *"I'm going to take heat if we don't play well."*

Leadership Attracts Talent

His leadership not only engaged the players, it enabled the front office to attract and retain top talent. The Nationals added a top-10 closing pitcher as a free agent, filled a void in center field via trade, and resigned their Golden Glove first baseman who was a free agent. Johnson's confidence has the players believing their status as a Las Vegas favorite. *"Nobody wants to come in second,"* shortstop Ian Desmond says. *"Yeah, it's World Series or bust. I'm right there with him."* The players also warn *"don't get comfortable"* as they push each other to produce career-best seasons.

The Federal League

Federal agencies play in the Major League of government, and each agency is a team with a manager potentially like Davey Johnson. The press maligns civil servants (the players) as being under-worked and overpaid, and Congress has withheld pay raises for several years. With over two million employees, it would be inappropriate for the government to have a risk-taking, start-up culture; but its leaders must do more to attract, retain, and motivate employees who value opportunity and innovation.

Getting to Cool

During his first campaign, President Obama promised to *"make government cool again."* But there's more to running the government than campaign speeches - workers in the Executive Branch need leadership. The avalanche of threatened shutdowns, bruising private-public job competitions, adverse salary surveys, and now furloughs leave many federal workers feeling undervalued and dispirited. Government service is anything but cool these days.

Sequestration is Like Losing the Playoffs

How does a leader bring his or her team back from such a demoralizing loss? Since the recession began, millions of Americans in the private sector and state and local government lost their jobs while the federal government expanded. But the situation has dramatically reversed: federal

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ALAN S. BERSON
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Whether you are newly-promoted into your first management role, a veteran of the C-suite or somewhere in between, your most powerful tool as a leader is the ability to hold effective conversations. Rich with real-world examples and useful techniques, *Leadership Conversations* is priority reading for both high-achieving managers looking to reach the next level and leaders striving to develop their people.

**Buying or selling a
business can be a
lucrative but risky
transaction**

IF YOU OWN OR ARE BUYING A BUSINESS, YOU MUST
UNDERSTAND THE CRITICAL MISTAKES THAT
MILLIONS OF DOLLARS TO YOU

EXPENSIVE MISTAKES

WHEN BUYING & SELLING
COMPANIES

...AND HOW TO AVOID THEM IN YOUR DEAL



jobs are at risk and the private sector is slowly recovering. The real effects of sequestration will lie somewhere between the *sky-is-falling* Obama and *head-in-the-sand* Republican extremes. Nevertheless, federal leaders will be challenged to retain talented people who envy stable private-sector jobs. For example, one wonders what the long-term effect of cancelling White House tours will be on attracting young professionals into civil service.

Leading During Crisis

Like Davey Johnson's inspirational actions after the Nationals' defeat, there is plenty leaders can do to re-engage the federal workforce. Obama distanced himself from the failed super-committee and sequester negotiations, and many Executive Branch leaders followed his wait-and-see approach. In good times, leaders transform average performers into great performers by pushing people just beyond their current abilities. In challenging times like these, proactive leadership is required to even maintain performance levels.

Teams on the Rise

Teams - whether in sports, business or politics - that improve performance year after year behave in predictable ways. The following table lists behaviors that are characteristic of teams on the rise and teams in decline. Which behaviors were displayed by Davey Johnson and the Washington Nationals, and which are displayed in Washington's political arena? Which behaviors does your team display?

	Behaviors of a Team on the Rise	Behaviors of a Team in Decline
Envisioning the Future	Leaders use evidence and logic to define the vision for future success	Leaders take adamant positions and support them with one-sided arguments
Evaluating Options	Everyone pushes each other to find new ways to achieve shared goals	People argue mainly to boost their public image and personal interests
Learning From Mistakes	Everyone learns from failure and takes responsibility to do better next time	Leaders autopsy setbacks, assign blame, and repeat the same mistakes
Unifying Actions	Everyone works together to make decisions succeed - even if they don't agree	People give in to decisions but don't alter their actions - or worse yet, try to make the decision fail
Giving Credit to Others	Everyone compliments each other for success, and enjoys each other's full faith and confidence	People pursue individual praise and achievements while minimizing the contributions of others

Providing Supportive Leadership

It's essential for leaders to reach out to people in difficult times. That may seem like obvious advice, but that doesn't make it less powerful. You will be surprised at how much can be accomplished in just one meeting with your people. To maintain high performance, make it a two-way conversation where: (1) answer as many of your people's questions as you can, and (2) hear their concerns and ideas. The following article, "*Leading Through Uncertainty*," provides suggestions for leading in perilous times.

Leading Change

LEADING THROUGH UNCERTAINTY

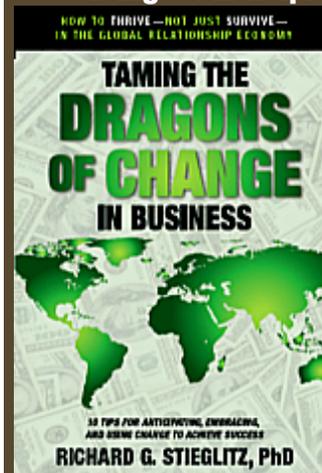
Richard G. Stieglitz, PhD
Stuart H. Sorokin, JD, LL.M., CPA

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Taming the Dragons of Change can help!



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The recession, layoffs, budget shortfalls, new technologies, acquisitions, and out-sourcings have produced a world of constant change. Today, ideas travel at the speed of light. You can communicate with anyone, anywhere, at any time, on any subject. To stay on top, you must do more than react. You must anticipate, embrace, and use change to your advantage

THAT'S WHAT THIS BOOK IS ALL ABOUT!

Many of my friends and clients work around Washington as executives in federal agencies and companies that support those agencies. Just about everyone is trying to figure out what to do next - they are challenged to lead their people through uncertainty. Even if you aren't personally affected by Washington's antics, leading through uncertainty is a survival skill in times of rapid change.

When the economy tightens, leaders must get creative to attract and retain the best people. Fortunately, most public-sector employees and the contractors who support them are more motivated by the opportunity to contribute than by financial rewards. They generally maintain a positive attitude and focus on mission as long as their leaders keep them engaged. The following techniques maintain engagement in uncertain times:

- **Be Visionary.** Describe the new normal in ways that help people see past today's difficulties to tomorrow's possibilities
- **Be Available.** Share what you know and find out what is important to your people. In short, treat your employees like customers
- **Be Honest.** People must trust you as their leader. Don't embellish what you know or pretend not to know what is happening
- **Be Open.** Welcome constructive criticism. Your people are likely to have good ideas about how to proceed. Ask for those ideas
- **Be Direct.** Set clear expectations for what must be accomplished, but give your people freedom to determine how to meet those goals. Be a compassionate coach
- **Be Courageous.** Be willing to take risks to achieve goals and reward courage in others. Push yourself and your people outside the comfort zone by accepting and giving stretch assignments
- **Be Engaged Yourself.** Lead by example. Perform your work with enthusiasm. Contribute to and allow fun in the workplace.

In the absence of effective leadership conversations, people are likely to fill the information void with stuff they make up. When they disengage to participate in rumor-laden discussions, productivity falls. Since your people must perform effectively and efficiently despite the uncertainty, focus on keeping them engaged to minimize the impact of economic challenges and build the bench strength necessary to satisfy mission requirements.

Results Through Relationships

FORCED CHANGE DOESN'T WORK

A federal agency faced an A-76 initiative that required employees to compete for their jobs against private contractors. The purpose was to reduce costs by awarding the work to the party that offered the most attractive business case. The competition was so controversial that executives worried about violence and sabotage. Employees were justifiably afraid of losing their jobs even after working in the agency for an average of 22 years - or the equally bad alternative of keeping them at a lower pay grade. They knew that if a contractor won, their positions would be filled with workers who would accept lower pay and benefits but have less experience in the agency's work. Government employees won the competition, but the scars of the forced change took years to heal.

After the competition, agency leaders struggled because they couldn't justify it to their people. Instead, they tried to ensure as few employees as possible lost their jobs and to help those who did find suitable positions elsewhere. The employees who remained after the competition applied their skills effectively and the agency's capability to perform its mission remained intact. At top levels, the A-76 competition was deemed a success since it cut costs. But what wasn't considered was the thousands of hours consumed by the competition, the productivity loss by a discouraged workforce, and collateral damage to the agency's customers. These added

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costs probably exceeded the savings.

Whether or not you have felt the sting of a difficult organizational change, hopefully you will be able to implement change effectively. In any change, minimize the impacts on your people by choosing tradeoffs that leave the largest number of people in the best possible situation. Even jobs that are saved may be so radically modified that people feel like they lost their old job and are afraid of what might come next. That anxiety lingers long after a change is over - unless you conduct leadership conversations with skill and empathy. The management mindset pushes to finish a change as quickly as possible to realize bottom-line benefits, while the leadership mindset ensures the change provides opportunities for everyone. Both mindsets are required to be a successful change leader.

Friends & Colleagues,

If your organization wants to produce more engagement via its leadership conversations, apply the concepts in *Leadership Conversations* or contact me. If you found this e-letter to be interesting and useful, forward it to a friend. If not, let me know why at dick.stieglitz@MyLeadershipConversations.Com.

Until the next month,

DICK