Leadership development at Energy Corporation – Climate Change.

As she rode home, Julia Merriwether noticed that her face actually hurt from smiling at the client the whole afternoon – but it was all to a good effect: the company had signed off on a 1 million euro leadership trajectory for Energy Corp. Her paycheck for the next year (and that yacht she had been eying) was set. For a brief moment she enjoyed the wind in her hair as she cruised in her convertible down the coast way to her beach-villa. Life could not be more beautiful in this very moment. Except … then the reality of the situation hit her. She was supposed to get the leadership of this vast organization back on the right track. Failure to do so would send a really bad signal to her existing and future clients – success would mean many more similar trajectories and a potentially steady cash flow. So this meant potentially very high reward but also very high risk. Would she be able to pull this off? She started to think about what it was that she had said "yes" to and whether this was really the win she thought it was.

Energy Corp. was a company that everyone considered to be "the whale of the energy industry". It seemed liked they had been around since the day electricity was invented. They were a steady supplier in the market with exclusive deals to and ownership of oil & gas, power plants, suppliers and distributors. The company had a great brand recognition in the eye of the costumer and for years competitors were unable to touch the giant that was Energy Corp. This picture-perfect however was starting to crumble – and fast! The energy market was changing rapidly. Traditional sources of energy were running out, energy was supplied in an entirely different way, costumers now wanted "clean and safe energy",… not to mention the NGO's and politicians (their frenemies) breathing down their necks. This all happened so fast that the board of directors felt hugely unprepared for what they jokingly had started calling their very own socio-political "climate change". Were they going to be the next KODAK? The last thing they wanted was to end up as a business case for MBA students to read and learn about how a business should NOT be run. Someone needed to get them out of this mess – urgently!!!

The question however was how to get this "oil tanker of a company" to change its course? For years and years this organization was leader in its market and – to quote the newly hired CEO Joe Fast – middle management had grown "complacent and passive". A strong hierarchical structure reinforced a culture of positional power where the behavior of employees is determined by what one is either "allowed to do by company bureaucracy" or "told to do by higher management". Instead, what Joe Fast felt that this organization needed was "more entrepreneurial leadership", they needed for leaders to be "pro-active in their efforts to stay ahead of the market and create change rather than chase it". He wanted a company-wide change from "this is who we are" to "this is who we can be". It was Julia's job to make it happen. And they were clear about it: If gentle nudges would not get them there, then revert to stronger methods and more explicit messages. Specifically, Joe Fast told her to "make them more entrepreneurial, by any means possible." And added quickly: "But just to be clear …we don't have time for this problem, you know, we are trying to save a sinking ship – that's what we are hiring you for! We expect you to report back to us in one year – and we expect to see results that your efforts have made a substantial difference in changing our leadership."

This case was written by Hannes Leroy (leroy@rsm.nl), Inga Hoever (ihoever@rsm.nl), Johannes Claeys (Johannes.Claeys@vsko.be), Jana Deprez (Jana.Deprez@ppw.kuleuven.be), & Kathleen Vangronsvelt (kathleen.vangronsvelt@kuleuven.be). Please do not distribute without explicit permission of the authors. © Erasmus University 2016.

While Joe was speaking to Julia in a highly energetic and exciting way – she could not help notice that Tom Slow (current HR-manager at Energy Corporation) didn't seem all too happy. He must have repositioned himself a 100 times in the meeting, constantly fidgeting, and she could swear that if his eyebrows went up any higher they would disappear under his fading hair line. After the meeting, Tom was asked to escort Julia outside and she asked him directly: "Are you ok Tom?" Tom sighed: "Sure … if this is what Joe wants this is what Joe gets." Then between breaths she was sure he said "I mean it's not like I haven't tried this already…" She picked up on that rather quickly: "What do you mean Tom?". He explained:

"Well … to be frank: I hired Gerald Solidt 10 years ago to tackle this exact problem and I must say that he has been very successful so far." The program for Gerald's training can be found in Exhibit 1 – including the evaluation scores and some of the reactions of the managers. While the participants seemed content with the training itself, the company (read: the new CEO) was not content with the behavioral change that followed. When confronted with this problem, and the potential replacement of Gerald, Tom his initial reaction was: "Do you have any idea how hard it is to do this? It is not easy to motivate managers to inscribe in these trainings (they always have something better or more urgent to do – such as saving our business). Now we finally found a training that they are happy to attend and you want us to throw all our hard work away?"

Julia relaxed as she read about this traditional training format. This person, and the program they suggested, seemed very outdated. Their company was much more up-to-date with its training methods. "Beyond Experience (BE)" – the consulting company that Julia co-founded was specialized in up-to-date experiential training formats. For instance, they used simulation games allowing the participants to experience very real situations. They even had state-of-the art technology to help them. They could hook up participants to a monitor that tells them how their brain functions optimally. She was confident that anything that the company could come up with or what they might need: BE had it! And this didn't even consider their pool of excellent trainers. They were the best: they were quick on their feet, very enthusiastic and energetic, hilarious, …

Julia decided then and there that she would organize a kick-off event with their flagship 3-day outdoor course in the Ardennes with their best trainer (miss Reine) to ensure that they had the best start. She would discuss the rest of the trajectory with her team of trainers. Feeling more confident, her thoughts wandered back to her yacht.

Assignment:

Imagine that you are part of the consulting team that needs to assist Julia. Julia was given a window of one year (January-December 2016) to make considerable changes at whatever cost necessary. With the exception of the start event, anything was up for debate and possible.

You have **30 minutes to come up with a plan in your team** (see the next page). On the **first half** of the page, we ask you to focus on **analyzing the problem** (identifying key points of information in the text/exhibits). On the second half of the page focus on developing a concrete and specific **solution** (i.e., a change plan) to be implemented during the next year. Finally, we ask you to consider how you will **evaluate your efforts** to see whether it has been successful.

Problem analysis:

-
-
-
-
-
-
-
-
-
-
-
-
-

Suggested solution:

-
-
-
-
-
-
-
-
-
-
-
-
-
-

Suggested evaluation:

-
-
-
-
-

EXHIBIT 1

Training Program by Gerald Solidt

Evening 1	Arrive at Four Seasons Luxury Hotel for welcome drinks & dinner. CEO offers welcome speech.
Day 1 - morning	Topic: Good leadership = good management. Method: Traditional lecture format but with possibilities for Q&A at the end.
Day 1 - afternoon	Topic: Communication skills. Method: Role playing exercises on traditional problems managers may have with employees (e.g., exit conversation, performance reviews, etc.).
Evening 2	Walking dinner to encourage networking across departments. Guest speaker: Professor King provides a lecture on what psychological research tells us about gaining and keeping power.
Day 2 - morning	Topic: Coping with stress Method: A sampler of relaxation exercises (e.g., relaxation, breathing techniques, mindfulness, etc.)
Day 2 -afternoon	Topic: Career planning Method: Personal coaching with several coaches on site on the most logical steps to progress in your career.
Evening 3	Closing drinks for those who are willing/able to stay late.

Training Evaluation for Gerald Solidt (averaged)

1= totally unsatisfactory 2 = not satisfactory 3 = neither satisfactory nor unsatisfactory 4 = satisfactory 5 = very satisfactory

	1	2	3	4	5
Training content (what you learned)			X		
Training format (how you learned)				X	
Training context (where you learned)					X

Qualitative Comments on Gerald Solidt his Training

"Great program – no comments."

"I liked this program. The food was exceptionally good and we really got time to connect with our colleagues."

"The program was ok – I mean there is always something new to learn if you are open to it. Nice hotel, it was great to be away from work for a while."

"I had a good time overall – I got a little nervous when I was asked to meditate and breathe deeply – a little too soft for my taste – but other than that it was a great experience."

"The trainer was a great guy – very entertaining. I am not sure however how this will actually affect my workplace but I guess that's true for every training."

"Things really got interesting when we started to look at my own career and how to advance it."