

Cindy Lu: Hi there. This is Cindy Lu with the CHRO Partners and HR Mastermind Groups. I'm here with Marion Terrell, the CHRO Flagship Services. We're going to talk about change management and why it's so important for CHROs to master this skill and what it's going to do for your career. Marion, give us a quick overview of your background and also why you think change management is such an important topic.

Marion Terrell: Very good. Thank you so much, Cindy. Listen, change management is critical. It is paramount to the success of HR professionals. I've been involved in change management for about 20 years now, which also represents the amount of time that I've been involved in HR. I've worked for some great organizations, Fortune 100, and interestingly enough, they've all dealt with different levels of change management, culture change, service delivery models, typically in the space of manufacturing and operations and things of that sort.

Marion Terrell: For me, at the position that I'm in now with CHRO Flagship Facility Services organization really represents a compendium of everything that I've done. Change management is at the intersection of how HR professionals should be thinking about business results and human capital. It is the vehicle that we leverage in order to make sure that the organization is prepared for whatever challenges, all challenges, whether it be cultural, individual or organizational. I've been able to leverage those tools and best practices for 20 plus years. They continue to be more prevalent and I continue to lean on change management day in and day out.

Cindy Lu: Yeah. It's interesting because we just finished a mastermind group and it seemed like every discussion somehow had the underpinnings of change management. Tell me, what happens and what have you seen happen when HR executives, especially senior HR executives, don't get the change management piece right?

Marion Terrell: It affects our credibility, Cindy. In all honesty it, it doesn't provide ... We deny the organization an opportunity to be forward thinking, to see what's around the corner before it gets there. I liken it to our role as a CHRO and then the need for us to be steeped in change management to an air traffic controller and, for me, I know that the air traffic controllers are responsible for the safety and the orderly and the expeditious flow of air traffic. They're usually in a control room, sometimes in a tower, and they can see what the organization below them may not be able to see. I see HR's role as being very similar to the air traffic controller.

Marion Terrell: Change management gives us an opportunity to exhibit those skills and abilities such that we can be a change agents, we can be successful air traffic controllers, HR traffic controllers. If you don't have that, you won't be able to assist the organization the way that it needs you to. It's about protecting the organization legally, but it's also about preparing the organization for how to navigate all of the changes, whether it's legal, again organizational. It's a huge culture piece,

and in order to successfully implement and execute, you have to master change management.

Cindy Lu: Yeah. The only thing that's consistent these days is change, right?

Marion Terrell: That's correct.

Cindy Lu: What happens when you get it right? How does it feel?

Marion Terrell: It feels good because change management is so broad. If you do it right, you really would have touched every part of the organization and the things that mean the most to HR, right? The idea is not to take the human out of human resources, but to be able to leverage it in a different way that shows up differently so you can be more effective. For me, I think there are a lot of models out there, but the four things that I think are just critical and that have actually worked for me are as follows.

Marion Terrell: Number one, just simply stated, I think you have to anchor in something. Along the change management journey, it's easy to get sidetracked or it's easy to bring a lot of other things in that that may not matter or they may not matter as much. You have to be clear about what's going to be improved, what's the difference between what's urgent and what's important, and be able to be able to identify that functionally and organizationally. I'd say that, first and foremost, a thing before I've leveraged any change management process for any reason is to be clear about what it is we're trying to improve.

Marion Terrell: I think the other thing too is to be in a position to identify a solid business case because I think that's the next step. Once we're clear about what's going to be improved, then you're in a better position to put together a solid business case. That solid business case is going to afford you an opportunity to connect better with stakeholders. It's going to afford you an opportunity to convince people that this is necessary. It's going to give you the opportunity to establish some ambassadors who may be able to help you drive the change through the organization. Solid business cases is critical.

Marion Terrell: I also think that helps ... Which is point number three. It helps with the vision. It helps with the opportunity for you to establish to people what is the vision for the change? Why are we changing? There has to be some level of tangible concepts that people understand for them to be able to get it. There's so many different things and priorities that whatever effort is going on that involves true change management that you're going to be competing with, people have to understand this. If they don't have the tangible concepts to be able to grasp this, they're not going to do it. I have found that creating that vision for change is a critical part of the process.

Marion Terrell: Then of course, for me, one of the final pieces is communication. How do you communicate the change? I think you're in a very good position, a good position

if you've done those other three steps. You identify what needs to be improved, you establish a solid business case, you establish the vision for how you're going to change. Now, you're in a better position to communicate. What are the obstacles that are competing with other priorities?

Marion Terrell: You've got to make that case. How can you communicate in a very authentic way that gives you an opportunity to connect with the culture? How do you consistently update the organization on the progress of the improvement that you're working on. Then how do you identify those informal leaders to help with some of the change and help carry the water that you're needing assistance with.

Marion Terrell: Those are, again, just four pieces that I think have helped me along the way. As you can see, Cindy, this gives you an opportunity to touch so many different people, so many different elements. It keeps you in touch with the culture. I think if you do it right, it establishes you as a credible HR person. If you miss these things, not only does it take away from the potential credibility, but it also suggests that whatever it is you're trying to change, it may not be sustainable enough for people to understand it. Then you're back three months later, if not shorter, redoing the same thing. The whole idea for me about changing management is to be able to sustain the change.

Cindy Lu: Let's break that down a little bit more. Give me an example of clear outcomes. We know very often that sometimes leaders, they kind of know in their head where they want to go and it might be clear in their heads.

Marion Terrell: Yes.

Cindy Lu: But give me an example of maybe how to get that clear outcome out of the leader's head, right?

Marion Terrell: Yes, yes. That can be very difficult, especially if you're dealing with a leader who is very steeped in the business, perhaps started company perhaps understands that from an operations perspective, we got to get things done. It's all about driving market share. It's all about all those things. Maybe you're up for an acquisition or divestiture or whatever the case may be. The CEO is the person that's responsible for making all those things happen.

Marion Terrell: I think, first and foremost, one of the things that I've done, even before you get to change management, there has to be a relationship, particularly in my case that I've tried to establish with Theo in the last 10 years. I think there has to be a level of trust. There are so many different dimensions of trust that have to be established. At the end of the day, it has to be about your ability to influence that leader, such that when you bring ideas to the table, they feel about what those things are.

Marion Terrell: I have always said that ... We've heard the saying you can lead a horse to the water, but you can't make it drink. For me and my HR team, we are not here to force people to drink. We are here to convince people that they are thirsty. The level of influence becomes critical as a partner to make sure that change management is done accurately.

Marion Terrell: One of the things that I just recently dealt with is a technology implementation, Workday. We are trying to implement Workday. Number one, I've leveraged this particular technology tool with other companies, so I know what I know. I was successful in getting the organization to understand the value that it can bring, particularly when we're trying to create a single source of truth in terms of our human capital in the system that we use for our people.

Marion Terrell: For us, because I was able to establish that level of credibility up front with the CEO, some of the things that came after that were pretty simple. Now, the change management part though is very interesting because we had to establish ... Even though I had a personal testimony of how I felt about this system, I still had to convince the organization because this is a very healthy investment that the organization is making. I still had to put forth a fair amount of due diligence to get people to understand what is the business case, what is the vision, what are some of the obstacles?

Marion Terrell: This can't be a flavor of the month. We have to make this a part of the cultural initiative that's going to make us better. We are improving the culture is how I positioned it. Because I was able to position it and connect it to the culture and connect it to the values that we had recently, as recent as last year, created, this effort has been ... It's gone over very, very, very well.

Marion Terrell: I think had I not done some of those things up front, established a relationship, building the credibility, building a business case and really connecting it to the culture in terms of how we are shifting as it relates to what we are becoming ... I think people were able to get around this and get excited about some of the milestones that we hit along the way.

Cindy Lu: Yeah, that's great. We could almost substitute the word change management for good leadership, right?

Marion Terrell: Absolutely, absolutely.

Cindy Lu: People who are good at change management are good leaders and in a way project managers as well. When you talk about building the business case and getting stakeholders involved, what's that look like? Give an example?

Marion Terrell: Yes, absolutely. For me, I start with a high degree of clarity. We use these buzzwords and sometimes fall into a place where we assume that people know what we know and they assume that they know what we're talking about. For me, I start from a point of clarity. What that means, Cindy, is I've provided

people with an opportunity to give me a feel for what they think this improvement is all about.

Marion Terrell: I also try to give them an opportunity for them to understand my definition of the change. I don't come over the top saying, "This is what this change is about," because real change management affects people differently. I want all voices in the room so we can collectively and collaboratively figure out what the game plan is in terms of moving forward.

Marion Terrell: As Tony Bridwell said in his, in his book, Changemaker, people invest in clarity. To the extent we are able to be clear about what it is we're changing, I think that gets people invested immediately, so that is extremely important for me. Part of that clarity, Cindy you should know, is me establishing not a change management definition that's in a textbook because there are lots of them, but it's really breaking down for people what is meant by change management.

Marion Terrell: My definition, I think, is simple. I think it's clear enough where people can connect to it, and they can add to that and they can make it their own cause. My goal as an HR leader is to give change management a home. Part of that developing residency is for people to be clear about understanding what it is.

Marion Terrell: My definition of change management is very simple. It's the space granted and accepted to create new dimensions of productivity. Period. Everybody understands what productivity is. If you're a data operator or if you're a data entry person, if you're a sales executive, if you're a regional operations director, everybody understands productivity. Whatever change that we've been granted and whatever change that we'd been accepted to leverage, it's designed to create new levels of productivity. For me, it's just making sure that we can start from a point of clarity and giving people voice and engaging the organization in a way that allows us to move forward as one.

Cindy Lu: I love that. There's got to be an end goal in mind, right?

Marion Terrell: Yes.

Cindy Lu: Versus changing for change sake or maybe too ambivalent of a goal. For example, so many companies are going through mergers and acquisitions right now. I see change management being done so poorly that companies that are acquiring companies so that they can keep the talent are losing talent. You talked about number three being vision for change. Is that what you're talking about as far as ...

Marion Terrell: Yeah, absolutely. The vision for change. You're absolutely right. Even as we think about the different skill sets that we need in organizations, we're working, if we're going and growing, we need different types of skill sets and so how do you assimilate as well as integrate people into your new culture. We recently

made a change and we moved functions from California to South Lake, Texas, so there was this opportunity to transfer knowledge.

Marion Terrell: We had people who've been here for 20 and 25 years, who had a lot of institutional knowledge that they have to figure out how to take out of their head and put it on paper and transfer it to the new people that we hired here in Texas. For me, again, I go back to the air traffic controller analogy. They're designed to monitor positions. It's all about the feed and they're looking at the altitude of these planes and all of this.

Marion Terrell: It's the same with HR professionals as it relates to change management. How are we going to assimilate people into the culture? How are the people who are currently here, who are willing and capable to make the change, how are they going to assimilate to the new people? What message are we sending to them? Are they experiencing feelings of inadequacy? "I can't do this. This doesn't make sense. What got us here won't get us there."

Marion Terrell: There is also a sense that ... This facility services company that I work for has been around for 30 years, so clearly there are some things that have been done right because they've been able to sustain and even when other organizations went under, this particular company did not. I think as a really good change manager in the spirit of HR, there's an opportunity for us to, to step back, look at the organization from that air traffic control power and make decisions on what works and what doesn't work.

Marion Terrell: Just because we need new skills means we'll have to bring those new skills into the organization, but it doesn't mean that we can't have people who have been with the organization for a long time. They may be willing to learn new skills as well. We have to figure out what it is we need. I think that's all a part of change management. It goes back to communication, visioning, connecting with people, getting them to understand the plan, clarity, all those things. I think when you're at a high enough perch, you can see how all these pieces work, and then really good leaders figure out how to leverage it in the best interests of the organization.

Cindy Lu: That's great. I think the communications piece is so critical and having worked in more entrepreneurial, smaller organizations, it was easier because you could just practically talk to everyone. As the organization got bigger, you realized that people weren't hearing you. Then I've worked with very large organizations where sometimes you have to send out multiple, seven, eight emails before people listen to you. [inaudible 00:18:07] people. I do think the clarity piece is so important. There's a marketing consultant out of Nashville. His name is Donald Miller, and his tagline is actually, "If you confuse, you lose."

Marion Terrell: Wow, I love that.

Cindy Lu: Right? So powerful.

- Marion Terrell: Yes.
- Cindy Lu: And how often when you talk to somebody who's explaining something to you and it's confusing, you're like, "I don't think they're really clear." If they're not clear and the leaders aren't clear to begin with, then you're going to confuse everyone else because you're really just thinking out loud as you go.
- Marion Terrell: Yes. You're absolutely right.
- Cindy Lu: All right, so the four steps clear on what the outcomes are, the improvements are, identify the stakeholders, build a business case, have a vision for change and the communications are critical.
- Marion Terrell: Absolutely.
- Cindy Lu: We know there's a lot more steps in the whole change management piece, but that is really powerful and good stuff. Last question, Marion. How important has having a peer group been to your making the CHRO spot? Throughout your career ... In general, not about HR Mastermind Groups, but just in general, how important has a peer group been to your success?
- Marion Terrell: It's critical, Cindy. It is absolutely critical. Again, it's lonely being in that air traffic tower, and it doesn't always afford you an opportunity to interact with a lot of people. You have to be clear about what your mission is. You have to be clear about your role in the organization, and you have to be okay with that.
- Marion Terrell: Because air traffic controller, HR people are human, there is an opportunity to be able to flush things out, connect with other people, just to bounce ideas off of people. And I have found that Masterminds has done that for me. It is critical. It is almost mandatory because as we navigate and we're dealing with sensitive topics and confidential information and we're making decisions not just based on a function or a group of people, but, in my case, with Flagship Facility Services, we're now 5,000 plus people ... the goal of becoming a 10,000-person organization.
- Marion Terrell: The decisions that we are making affect lots of people. I don't take that lightly, and so if I can connect with people who have seen the movie before, who have a different way of thinking about things, it is extremely critical for me to be able to have access to those folks. I have found that it goes a step beyond a peer group. For me, it's almost like an affinity group because I get a chance to connect with people who are really dealing with some of the same challenges. Some of the stuff is new, but some of it is not. It just helps to be able to kind of say things out loud because sometimes when you say them out loud, they sound differently, but, more importantly, I know that I'm not alone.
- Marion Terrell: As I'm trying to change this organization and trying to educate people and dealing with challenging people and personalities and, and building credibility

for an HR function, all of those things, I know that there are other people who are doing the same thing. They may have another idea, a better idea, things that I may not have thought about and I now get to leverage that. I just love the opportunity to be able to do that. It's a lifeline. It's how I stay hydrated.

Cindy Lu: Aw great. Awesome. I love it.

Marion Terrell: I think it's just absolutely wonderful.

Cindy Lu: Well, here's to your hydration. Awesome.

Marion Terrell: Thank you so much, Cindy, for the opportunity. It's a great experience. I'm so glad that I'm a part of it. There are lot of good people and I just think the group ... I highly recommend being involved at some level of peer interaction because it just helps long term and short term. Thanks for the ...

Cindy Lu: Yeah. Thank you so much. Well, everyone, big a round of applause for Marion. We'll be following up with you on other topics in the future.

Marion Terrell: Very good. Very good, Cindy. Thank you so much. Make it a great day.

Cindy Lu: Bye.

Marion Terrell: Bye, bye.