



# How CEOs can manage organizational and personal energy

See where you are on your own personal goals, and introspect about what enhances and depletes your energy.

Chief executive officers (CEOs) play a pivotal role in building and sustaining energy—but they must manage both the organization’s and their own—to make transformations successful.

At any given point in time, some part of an organization is invariably undergoing a transformation. Most CEOs aspire to shepherd their organizations smoothly through these waves of transformations by setting a bold aspiration, enthusing the organization to support it and, finally, executing it. Organizations that set a bold objective often experience an initial spurt of success brought about by energized people, and it is not unusual to see a distinct improvement in performance early on. However, usually within a few months, the bad news sets in. This is when organizations typically see performance and energy dip low—a phase we sometimes call “the valley of desolation”—mainly caused by hurdles to implementation and impact. When this happens, some employees begin to question the value of the decisions taken, becoming increasingly resistant to change, and gradually, the organization as a whole begins to second-guess the chosen path.

This “valley of desolation”, with its accompanying hurdles, is almost inevitable during any growth or change effort. Most change efforts are so energy-intensive—or to use a scientific term, endothermic—that very soon, there is little energy left to drive real impact. This energy drain could be caused by several factors: the organization’s inertia or inability to overcome its own rigidity and past ways of working; a corrosive working atmosphere including infighting and politics; and

finally, project overload with too many initiatives and not enough time for regeneration. The good news is that if the organization’s existing energy is efficiently channelled, these very efforts could become “exothermic”—generating a virtuous cycle of energy that feeds itself.

Where the CEO’s challenge lies is in being able to predict the onset of this energy loss and keep up the organization’s energy during this period in the valley. If the organization is unable to navigate through this slump, the change effort may risk losing all its valuable initial momentum. Understanding how to build, manage and sustain energy thus becomes a critical task for CEOs, but for the leaders to keep their organizations on a smooth path for transformation, it becomes critical for them to manage both the organization’s energy and their own.

## Set up the transformation with a ‘military’ and ‘marketing’ campaign

When CEOs are faced with scepticism, resistance or a lack of buy-in from employees, the organization suffers from the inertia, corrosive atmosphere and initiative overload we mentioned earlier. But CEOs could see sustained levels of energy when they ensure that employees feel they have a purpose, clarity of direction and a strong sense of personal ownership for their efforts.

To achieve this, the CEO needs to simultaneously launch a “military” and “marketing” campaign to build self-sustaining energy in the organization. The “military” campaign is focused on instilling discipline, order and clear direction across the organization,

and its purpose is to have a rigorous approach to the execution of the growth or change effort. It requires all those involved to have complete clarity about the task at hand, defining individual roles and responsibilities, and putting in place governance norms that hold people accountable. For instance, the CEO of a large retail bank that ranked in the bottom quartile nationally charted a new course for the company with a slew of wide-ranging initiatives. A rigorous approach to implementation was set up, and impact was tracked at multiple levels with a specially instituted programme officer reporting daily to the CEO. New processes were put in place that streamlined the organization's work processes. Within a few months, these firmly enforced initiatives took root throughout the bank, resulting in a doubling of profit over three years.

The "marketing" campaign, on the other hand, is focused on enlisting staff to get actively involved at every level towards change efforts. The

CEO needs to communicate a story of change that captures the hearts and minds of people and connects them emotionally with the aspiration of the effort. For example, a telecommunications company "leaked" a fly-on-the-wall video of a senior team's working session, in which they have a healthy debate about prevailing scepticism. This honest recognition of prevailing scepticism, and the simple but direct attempt to acknowledge it, touched a chord with employees, resulting in a far more positive reaction to the initiative.

It is, however, important that the "military" and "marketing" campaigns are carried out simultaneously.

### **Make visible, tangible improvements early in the transformation journey**

CEOs often incorrectly assume that the entire organization is convinced that a transformation makes sense. They ignore the fact that this message needs to be reinforced continuously. A demonstration of visible, tangible impact, either financial or non-financial, can often go a long way in getting the support of doubtful employees. This spark of energy often creates strong initial support

for the transformation. For example, on the first day of a transformation programme following a merger of two competitors, the CEO shifted his office and asked his team to shift theirs as well. This made it visible to the employees from the two companies that they themselves were open to change.

### **Monitor energy levels, and act fast on constraints**

Even if CEOs understand the importance of organizational energy, they often do not have a way to quantify or measure it, preventing them from having the ability to predict the dreaded energy slump. There are several ways in which this can be done as these examples show. A South African mining company used a measure that was a combination of commitment ("How committed is the organization to achieve what it wants?") and capacity ("What is the capacity of the organization to achieve this?"). The CEO ensured that this consolidated measure was rolled out across the company, giving the leadership a bird's eye view of exactly where different parts of the organization stood in terms of their energy levels. This enabled the CEO to more effectively tailor the "military" and "marketing" campaigns.

The CEO of an Asian conglomerate used another approach to measure organizational energy. It was based on the principle that if over 35 percent of the organization was actively supporting change initiatives, the company would reach a "tipping point" and there would be enough energy within the system to drive change successfully. The firm conducted a survey to gauge what proportion of employees were "active supporters" (those who believed in the initiative even in the absence of evidence that it would work); "passive supporters" (those waiting for evidence of success before becoming active supporters); "passive opposers" (those who quietly opposed and sabotaged change efforts); and "active opposers" (those who were openly hostile towards the initiative). The CEO monitored the proportion of employees in each group on a monthly basis, which in turn enabled him to manage the overall energy of the organization far more effectively.

### Build a cadre of change leaders to sustain energy

CEOs often miss the opportunity to use the transformation effort as a vehicle to build a strong core team for change leaders who can create self-sustaining momentum for the future.

This means creating alignment in their top teams through sessions that often involve conversations about individual aspirations, bold conversations surrounding the transformation agenda and alignment of future priorities. The CEO of a large infrastructure company took his top team through a series of five such sessions, spread over 10 months, which coincided with the transformation programme's critical milestones. Each session consisted of a conversation about what the individuals had learnt about themselves and the business, as well as a discussion about forthcoming priorities for the transformation, so that these employees could realign their efforts accordingly.

The CEO should also think of tapping informal networks by identifying "hidden influencers" in the organization and using them to influence the rest of the organization. A global telecom company used this approach very effectively by identifying 25 people across five countries who they believed could be positive forces for change.

### Manage your own energy

The CEO's personal energy is crucial as it sets the pace for the organization in many ways. The energy a CEO demonstrates is what the rest of the organization will invariably tend to imitate.

Many of the answers here come down to how time gets allocated, and the discipline and rituals CEOs create around the time they have. The calendars of CEOs and other senior executives are often booked back-to-back all day, sometimes in 15-minute increments. One CEO describes the implication as "the danger of over-eating at an interesting intellectual buffet". Digital information overload compounds the peril of "overeating" by flooding leaders with a variety of questions and topics that frequently could be addressed by others. This distracts leaders from the thorny, unpleasant and high-stakes problems where they are most needed.

Many executives respond to this with the old strategy of creating "alone time". One CEO, for example, finds time between 6.30am and 8am; another uses her travelling time to recharge; another CEO takes an extreme approach: "I don't answer or look at any emails I don't want to. I don't have a cellphone; I don't have a BlackBerry. My motto is, 'I don't want to be connected; I want to be disconnected'."

An honest audit of where you are on your own personal energy goals, and introspecting about what enhances and depletes your personal energy can often be a very practical starting point.

CEOs who manage their energy levels intelligently discover that their example permeates the organization, whether consciously or unconsciously, with a significant bearing on results.

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