Guttman Insights

March 2017

Mary Beth DeNooyer is executive vice president and chief human resources officer, Pinnacle Foods, Inc., a leading producer, marketer, and distributor of high-quality branded food products, headquartered in Parsippany, NJ. The company's iconic brands, which have touched the lives of consumers for more than 150 years, include Birds Eye, Duncan Hines, Wish-Bone, Vlasic, Log Cabin, Gardein, Udi's, and many more. Pinnacle Foods employees 5,500 people; its mission is to reinvigorate iconic brands.

In this issue, Mary Beth DeNooyer, executive vice president and chief human resources officer, Pinnacle Foods, Inc., discusses the fine points in helping her company's new CEO embrace the existing horizontal, high-performance culture. Is your team stuck in a web of dysfunctional behavior? Howard M. Guttman offers tips for getting "unstuck." And GDS's Jack Jefferies checks his notes to assess how he helped one company president show up more authentically, create a sense of "us" from a disparate team, and grow the business. All this in a five-minute read.

As your company underwent a CEO transition, with your new leader coming from outside Pinnacle Foods, what did you see as the key challenges?

Some things made the transition relatively easy, other things were a bit challenging. Mark Clouse, our new CEO, spent 20 years in our industry, working in big and small markets. He knew the consumers, customers, and the challenges. The challenge for him—and us—was that his 20 years of experience was spent at one company, Mondelez/Kraft/Nabisco, which was a large, traditional, and complex environment. The culture and ways of working at Pinnacle are quite different than what Mark was used to.

And how would you characterize the Pinnacle culture?

We are leaner, scrappier, less system and process driven, less bureaucratic, and more entrepreneurial. Getting Mark into the rhythm and different resource capabilities of Pinnacle was probably the biggest opportunity.

New GDS Leadership Videos

We have just released 7 provocative new videos on the GDS YouTube channel as part of our continuing Leadership Series:

- Telltale Signs of Underperforming Teams
- From Dysfunctional to High-Performing Teams
- 3 Dynamite Coaching Questions
- How Leaders Sabotage Teams
- Power Up Your Leadership Performance
- Shifting Mindsets: What, Why, How
- Team Trust from Talk to Behavior

For fresh insights on leadership, click on the YouTube icon at the bottom of this page.

Leader's Corner: Smooth Leadership Transition at the "Pinnacle" of Pinnacle, Inc.

What did you and your colleagues do to help your new CEO adapt to the Pinnacle way?

We have a very capable leadership team: one that could keep the rhythm moving uninterrupted during the transition. Our Board members were helpful. They briefed Mark, letting him know that he would be supported by a capable team, that the company was well run, and that he should be a student and observer for the first 60-90 days. That squared with Mark's point of view. He knew that Pinnacle has had three years of success and growth. He wanted to first discover what made us work. As he put it to investors, "I'm here to amplify the playbook."

How should organizations deal with the inevitable fear factor during a transition?

It starts with the new leader's mandate. In our case, the mandate, in effect, was, "It's working, don't mess it up." In other words, accentuate the positive, maybe change a few plays, but no need to throw away the playbook. I've worked in situations where the leader's mandate was transformative change. If the mandate is moderate change, you tend to feel more comfortable and less threatened and rally around the new leader faster. If the mandate is for radical change, then that's more of an invitation for fear.

What can HR do to at least make fear more manageable?

HR can articulate what the role of the new leader is and discuss it with the impacted team. "We are bringing in a new leader because we want a significant change." We can then help the leader think through and be clear about what he or she wants to do and what will be different. Then help each individual assess whether or not they want to play in the new situation. If they can't commit their hearts and heads, then HR can help find a different solution, which might be outside the organization. The key is to make sure that people don't feel powerless.

How did you help your new leader adapt to the horizontal, high-performance organization that Pinnacle had become?

The luck of the calendar! New leaders who join Pinnacle attend an orientation program focusing on "HPT" [high-performing teams] and what they mean for us. As it turned out, seven other executives were scheduled to go through the class two weeks after Mark joined us. I put Mark into the session. He heard the same thing every new leader who joins Pinnacle hears. Howard Guttman did the overview: what the journey toward HPT has been, why it makes a difference, what the power of the process is, and how we expect people to show up. Mark had an opportunity to be a learner, along with the other executives.

And what happened beyond the initial introduction to high-performing, horizontal ways of working?

We typically set aside one day each quarter for our executive team to spend a half day on HPT alignment, with a GDS facilitator, and a half day on strategy. As luck would have it, that day happened to fall in Mark's fourth week with us. As a result, we did a new-leader assimilation and mini-alignment session, which enabled us to get to know Mark and his expectations, and vice versa. Four months later we had another day set aside for alignment, which Mark enthusiastically embraced. "I like this, this is really healthy," he commented. Looking back, we kind of spun Mark into HPT through the normal cycle of things. He saw the power of HPT, and how we cut through emotions to get the job done. Mark is now a believer.

Did your new leader have an "aha!" or "oh, no!" initial reaction to the high-performance model?

Mark readily saw that the HPT approach gave us a forum and tools to talk about how we work together. In fact, he commented, "Most executive teams talk about what they're working on, not how they are working on it." His aha! came about when he experienced the power of people opening up in a healthy, moderate way, especially where there were differences in expectations versus delivery.

As an HR executive, I know you've thought about accelerating both the high performance and career development of your senior leaders. What has Pinnacle done in this regard?

We've used the HPT framework as an enabler for both performance and career development. HPT has brought us a common language and framework to talk about our expectations of leaders. We've met with our senior leaders three times a year, and half of the agenda focused on the development of those leaders. The aim is to build the underlying skills for HPT leaders, such as conflict management, active listening, and influencing. We've built these skills across our senior leadership team—about 65 executives.

How do those skills relate to the career trajectory of your senior leadership team?

Every leader, even those at top levels, can and must improve. GDS and Pinnacle developed a Player Acceleration Workshop, which asked and helped our senior leaders answer the question: As an executive who leads within an HPT framework, what is the one thing you need to do differently or better to be a more effective leader at Pinnacle? We organized the group into cohorts of 12 or so leaders and ran five sessions, utilizing the GDS self-coaching process, which required people to open up and solicit feedback and support from others in the organization. That required active listening, the ability to accept feedback and influence others. People had an opportunity to dig deep and find what mattered to them within the context of a high-performance organization.

How do you prepare 5,500 associates for change?

First, you have to get people to see that change is normal; it happens every day, in small ways and sometimes in big ones. People will more readily embrace change when they understand the "why." We tend to fixate on the "what"—this is what you have to do—but if you don't bring people along on the journey and explain why a change is important, then it's easy for them to reject it. At Pinnacle, we spend a lot of time explaining the why. This not only helps people to accept change, but they often come up with suggestions to improve what we want to accomplish.

What did you do as an HR professional to gain a seat at the top-management table?

I think about myself first as a member of our executive leadership team. My obligation is to understand the P&L and levers of the business as much as my peers do. From early in my career, I focused on how the business is run: What are we trying to achieve as an enterprise? How do we make money? What are our shareholders expecting? How does the balance sheet work? And, using that business lens, whenever I'm in a meeting, I ask myself, in my HR role, what levers I can push or pull that will advance the business. Several times in my career, I've been told that "If I were a fly on the wall listening to the dialogue at the table, no one would pick you out as the HR executive." It's my highest compliment!

Is there a significant pool of millennials at Pinnacle and do you manage them differently?

Yes, we do have millennials. Are they different? Maybe. They are more impatient—they want more frequent feedback—and they are a little less tolerant than past generations. Think about social media and how many times people check the "Likes" and "Comments" from a posting. Fast feedback is becoming the norm. Millennials also want exposure to a wide variety of experiences. They want to conquer a task and move on to the next challenge. I'm not sure this is different from what others desire, but 20 years ago there wasn't a way to get that level of exposure. Now, if this expectation is not met, millennials tend to move elsewhere. Their paradigm is different: They'll stay as long as the system works for them.

What's your biggest insight from your high-performance journey?

Operating horizontally won't happen organically; you have to engineer it! That takes being deliberate about what you want to accomplish and setting aside time to make it happen. Also, having the HPT framework has given us a common language and the ability for people to express their expectations in neutral, non-emotional ways. It helps leaders clearly articulate their expectations for their team. For peers, it provides a way to talk to colleagues in a depersonalized, objective way about behaviors that might not be productive or helpful.

Unsticking Your Team

by Howard M. Guttman

"We're stuck!" They're not exactly words of optimism for any team. Sometimes, being stuck involves sitting on the horns of some decision dilemma. Remember the old paradox involving the jackass that was equally hungry and thirsty and was placed between a bale of hay and a pail of water? Alas, it died of both hunger and thirst; it couldn't decide which alternative was best. That's being stuck!

Even more frequently, being stuck as a team isn't so much about a decision dilemma as it is about being trapped in a web of dysfunctional behavior, with little awareness either about the problem, its causes, or the paralyzing effect it has on team performance.

A senior team in a global pharmaceutical company was perpetually slow moving and underperforming. Several players on the team were skilled silo defenders, especially around issues involving resource allocation and shared services. For example, the company strategy called for reallocating resources to a new growth area, but the turf warriors would have none of it, despite the leader's continual reminder that, "There's no 'I' in teams," and "We are all interdependent." But beyond voicing these thoughts, the leader took no effective action. As it turned out, the leader was formerly a peer of his team members, and in his new role he wasn't comfortable stepping up to hold his team accountable. Rather than intervene, he preferred the "let's agree to disagree" approach; he punted and asked the team to sort out the resource-allocation issue and come back with a decision. After weeks of delay and debate, a compromise decision was reached, which eventually was turned down by the Executive Committee. Neither the leader nor the team members were willing to go where they had to go to get the team unstuck from a pattern of dysfunctional behavior. Not surprisingly, they remained stuck, slow moving and unable to move ahead.

> "Being stuck as a team... is about being trapped in a web of dysfunctional behavior."

Compare this team to one in a manufacturing company, where two team members continued playing a siloed game, taking pot shots and finger-pointing at colleagues, despite the fact that the team had been through an alignment session. In preparation for a follow-up session, we collected data on the team's behavior, which showed that the two players had a chilling effect on team performance and morale. But in this case the team leader had both high expectations and was uncompromising. "I'm not comfortable going with this slow pace of change. It's not what our business requires." Prior to the follow-up session, the leader took aside the two team members for sobering conversations about their behavior. Her message was clear: "If you're not willing to change behavior, I will remove you from the senior team. Your behavior is hurting the team, and it doesn't represent the model I want shown to the rest of the organization. What's more, I'm holding you accountable." The leader next met with her full team and related her discussion and the commitments of the two players. She then told her team, "I'm holding them accountable, and I'm not willing to accept anything less from anybody else." This team leader practiced what she professed. It was the perfect "unsticking" recipe.

Getting stuck as a team typically results from an inability by the leader and team to face what they need to face to move ahead. It's a function of issue avoidance, of burying disagreements, of not holding up a mirror to whatever impedes a team from becoming a high-performance, horizontal one. In the example just mentioned, the leader of the manufacturing team choose not to suffer "silo racketeers"; she confronted the issue, made the offenders accountable for change, and addressed the issue publically—not to shame but to educate and reinforce high-performance behavior. She showed the intentionality to break through the dysfunction.

The team, not just the leader, plays an "unsticking" role. Sometimes it takes courage to do so, especially when the leader is the locus of the issue. A leader in one client organization failed to press the Executive Committee for budget allocation, and as a result his team failed to get the investment it sorely needed to run the business. This reluctance was not a one-off anomaly, but a recurring pattern. Time and again, the leader failed to show up powerfully to the Executive Committee. The team members finally had enough and, armed with the facts, headed for the leader's office to present their business case. They discussed the business implications of the leader's behavior, the negative impact it had on the brand, and how it impacted morale in the organization. They used the budget-allocation issue as Exhibit 1 to make their case for behavior change on the leader's part, and they focused on consequences rather than accusations. This team's action broke through the dysfunction.

When you think about teams that are capable of "unsticking," several of the qualities of a high-performing team come to mind: the ability to break through whatever muddle they are in, a sense of collective ownership for results, and candor and comfort dealing with conflict. It also takes an unrelenting desire on the part of both the leader and team to set the performance bar high, face issues, and hold everyone accountable. It's the best prescription for moving from stuck to success.

From a Consultant's Notebook
Jack Jefferies

Here are the field notes from an intervention led by Guttman Associate Senior Consultant Jack Jefferies.

Presenting Situation

One of the largest paper companies in the world needed to cut costs and boost operating efficiency in a major South American division, given the down economy and sagging revenue in the area….Company structured along three lines of business: forestry, paper mill, and consumer packaging….Siloed environment, with each business focused on its own challenges….Significant differences among divisions….Low trust….Competition for resources….Accentuated by economic swings, which forced executives to switch gears, focusing either on domestic or international sales, as the situation demanded….Great agility required but not possible due to siloed, "my business unit first" thinking…. Some breakdowns with paper quality and missed packaging sales targets….Finger pointing, conflict between the paper mill and packaging businesses….Line executives suspicious of corporate functions, especially HR, which was seen as trying to impose uniform policies….Company president was an American….reserved, process oriented….Viewed by many as aloof and not simpático….Employees not engaged.

Charter for Guttman

Key challenge the president sought to address: How to bring three businesses together to ensure economic viability of the larger organization….More collaboration, less siloed thinking, greater willingness to think beyond the walls, to make tradeoff decisions in order to achieve enterprise-wide versus unit goals…..Greater leveraging of collective intelligence of the three lines of business to set long-term strategic plan for the region…..Need for improved problem solving and decision making….Need to establish a cohesive leadership team focused on winning "for us"….President unconsciously incompetent regarding his deficiency of interpersonal skills….Business had to regain its growth momentum. Had to sell strategic plan, requiring significant capital expenditure, to Global Corporate. Needed a strong plan, solid track record of delivery, and confidence in the leadership.

Process

Met individually with divisional senior HR executive and president for a situation appraisal….Next, alignment session held with leaders of three lines of business, plus functional heads and president….First agenda item: Forge a sense of identity….Asked: "Why do we exist?"….Discussed risk of remaining entrenched in status quo versus upside of moving to a high-performance, horizontal model….Corporate willing to invest heavily in the business but hesitant to do so without significant change….President presented a "what-if" end-state vision of the benefits of moving in the new direction…. Gap between the "what if" and the "as is" assessed and addressed—everything from trust and siloed thinking to lack of transparency and basic meeting management…. Issue of president's aloofness openly addressed ….He made commitment to change….Dysfunctional corporate player on team had to be dealt with….Four months later, check-in session held to assess team's progress toward the high-performance model….Top team was tracking, but levels below were still operating by old paradigm…."Multi-tier alignment" scheduled and held to address the situation.

Results

Top divisional team energized by compelling business vision…Saw that the promise of a new day outweighed the existential threat of do-nothingness…. Began to see themselves as a management board rather than functional and business-unit representatives….Long-standing conflict between HR and "old guard" paper-mill executives laid to rest….Top team and direct reports now working seamlessly together…. Basic protocols agreed on: how meetings are structured, scheduled, and run….Trust high, siloed thinking low across levels….Attributes of candor, openness, and comfort in expressing discomfort embraced ….Process pointed to need to remove dysfunctional player and reinforced president's need to be more outgoing and engaging….GDS coach retained and president made dramatic progress in showing up more authentically, being more accessible, managing by walking around….No more American/Latino culture clash….Uptick in business results…. Global management decided to significantly invest in the division. Business made 2016 plan despite major macro economic headwinds, including one of South America's worst recessions. Global corporate accepted long-term strategic plan for the region and is committed to investing significant capital.

President promoted to global role, leader of packaging plant promoted to Regional President role. Next steps: integrating the new leader and onboarding yet another new team member during a senior-leadership team alignment this month.

Key Insights

Change begins with the leader….The president's willingness to be coached and change his behavior inspired his team members, some of whom were initially skeptical about the process and the prospect for team unity….Leading by example is crucial…. So are follow up and follow through….Ongoing virtual-team coaching between offsite team alignments kept team members accountable for commitments and fully engaged in the process….But you can't win them all…. Not everyone is comfortable moving to a horizontal, high-performing model…. Once the dysfunctional player was removed, the team's performance jumped…And don't forget to take the change to the next level down….As strong as the senior leadership team became, it wasn't until a multi-tier alignment was held that a significant organizational breakthrough happened.