

Episode 7:
Guest: Jim Abolt
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Speaker 0 00:00:01 I'm Danielle Royston and this is telco in 20.

Speaker 0 00:00:14 I bet you didn't know that I spent about 10 years as -- wait for it -- an HR executive. I did everything from running college recruiting, I actually got an offer to run all of recruiting for Google, to managing compensation for a 30,000 person global organization, Freescale, to managing performance, to even running layoffs. Ah, I caught your ear there -- layoffs, that awful word. At some point in every leader's career, they will have to go through a layoff. So I wanted to dedicate a few episodes to talking about the impact to people when you're making a big change to your organization. Once you decide to move your systems to the public cloud, you will come to the realization that you need to change your staff in some way. Maybe you need to hire new talent. Maybe you need to train people and give them new skills. And maybe you need to adjust your staff and ask some people to leave. Nobody talks about this. It's about as taboo as talking about how much you're paid. Look, people are the biggest part of your IT spend taking up 65% of your budget. You heard that right - 65%. That's a ton of money. And if I had a guess, you don't have a plan in place for your people. In this series, we're going to talk about reshaping your team -- who stays, who goes, and yes, that means downsizing and firing part of your workforce. And we're going to talk about retraining your staff to give them new skills for the public cloud. A well-executed HR plan, coupled with your exciting cloud plans, will be a huge win for your organization. Are you ready for this tough topic? Let's Take 20.

Speaker 0 00:01:54 I'm talking to Jim Abolt again, who was my very first guest on the podcast. Jim is an SVP of human resources and a leadership guru. For this series, I want to start off with help from an HR stud because one of the big things we're going to tackle in this series is the impact to people of such a big technological shift. So welcome back, Jim. I wanted to let you know that our very first episode, the one about leadership, is our most listened to podcast.

Speaker 1 00:02:26 All right.

Speaker 0 00:02:27 And I laugh every time when I say I'm a Mexican, not a Mexican.

Speaker 1 00:02:33 So my, my favorite part is when you told me how lame I was,

Speaker 0 00:02:39 I was like, we didn't need you at all.

Speaker 1 00:02:43 It was pure gold. You were so incorrigible.

Speaker 0 00:02:45 So anyway, thanks again. Welcome back to the podcast. I'm constantly talking about shifting everything to the public cloud, right? So as part of my podcast really want to tackle the HR side of change. So in a move to the public cloud, like with any big change, I think leaders really need to think through the impact to people. Like, why should they help you take on this really big, hard problem? And what do you do if people aren't excited about your change plans?

Speaker 1 00:03:14 Sure. Most companies don't need really big change all the time, right? But every once in a while, you got to do something to get on a new path. So you're talking about something super complex, but if you get down to why you're not getting traction on your change effort, there's only three reasons. It could be number one, they're not clear. Number two, they are not willing. Or number three, they're not able. So it's one of those things and you need to find out what it is cause the remedy for each is different.

Speaker 0 00:03:46 And usually is it one of the three? Could it be all three?

Speaker 1 00:03:50 Totally be all three. And yes, you totally want to diagnose it. The big problem that people get into with change, because everybody talks about it in a different way. So if you talk to academics or business leaders or consultants, they all have their own change model, but they're all saying the same thing in different ways. So it's really important to create a common language around change. And so it's not like one is right or one is wrong is you just need to pick one.

Speaker 0 00:04:14 Just pick one and use it. So I love your framework for change. One of the things about working with Jim that makes things memorable, his sloganizing. Simple words. So that it's really easy to remember. And so here's his framework for change, which is number one, communicate the vision, two, create the desire, three, model the way, four, change the work and five, make it stick. I love your framework so much that I wrote a two-part blog called "go get em." And they're on my website@telcodr.com. And I use this framework all the time. Whenever I have to roll up big changes at any organization, I'd use it. If I was about to become president of the United States or a girl scout leader. Like any, any time you can use this, it's great. That's what it's meant for. And so I think creating the desire, right? Putting yourself in the employee's shoe of like what's in it for me and why should I help you is really important. And so Jim, do you think creating the desires is super key part of getting your people really excited about what you're doing?

Speaker 1 00:05:20 Absolutely. Because inspired commitment beats grudging compliance any day, everybody in your organization knows that ultimately you can force them to do something. And my favorite all-time definition of leadership is the ability to get people to want to do something that you know needs to be done. When you can do that, all of a sudden you unleashed the power of your organization to execute the plans that you know are necessary. Now, what I've seen so many times is that companies do an exceptional job of communicating why they're changing and what's in it for them. Our profits will increase. We'll maintain our customers. Let's say, I'm trying to motivate you. And I walk you across the street from this

beautiful mansion. And I put my arm around you. And I say, Danielle, I want you to change everything about what you do. All the things that make you comfortable, they need to go away and you need to embrace a new way of doing things. And it may be hard, but I need you to give it your best effort. I need a hundred percent. In fact, you and your colleagues and all of us work together. And we achieve that someday, that mansion will be mine, right? And it's like, you totally, you totally missed the point.

Speaker 0 00:06:42 You lose them. You're like this sounds great for you or the company. Right. But it doesn't help me at all. My pay is not going to increase. Right. Um, it's not exciting or engaging.

Speaker 1 00:06:55 I can't agree more. This is the most overlooked element. When a company is trying to change. They're really not thinking about how do you get people excited. But a lot of times, so much of this really is about, people want to be part of a winning team. People want to grow. They want to be part of something. Great. Yes. And I think of what you're doing with the cloud. I mean, isn't this like cutting edge computing. I mean, if you want it to have a career, wouldn't you want to be expert in the cloud, wouldn't that make you more marketable?

Speaker 0 00:07:21 Well, all of my research shows that when you take like an engineer and a new, you get that cloud experience, you usually see about a 20 to 30% increase in your pay.

Speaker 1 00:07:33 That is huge. And a lot of times you're missing that and change programs, but in yours, learning and growing and winning and in the process, maybe even making some more money is what's in it for people. It's exciting.

Speaker 0 00:07:47 Imagine being the leader, not known for the thousands of people layoffs that you did, but instead, maybe your people pivoted into a 20 or 30% increase. You'll be the hero.

Speaker 1 00:07:58 Um, for your listeners, you're extraordinary at that. That's why if I wanted to move to the cloud, I want you to leading my team. Cause you understand all those techniques and how to build that energy.

Speaker 0 00:08:09 I want to lead everyone's team. I'm like, I can do this. Let me help you. I can totally help you do that. So, so I wanted to just keep going on the framework for change. And so let's go into the next sort of area. I think modeling the way is super important, right? Again, it starts at the very top and your whole leadership team has to be on board. And so we used to call them at trilogy, these cascade meetings where the first group I need to get on board is my direct reports. And so what do you think about sort of modeling the way and starting at the top?

Speaker 1 00:08:49 Yeah. Everybody thinks that this is corny. They like take it for granted, but it's not. It's incredibly important that a leader literally is the living embodiment of the vision

because everybody's watching you as a leader and I'll give you two examples of great living embodiments of the vision. I remember years ago, I was at a manufacturing facility in North Carolina and the plant manager was talking to the people about all the changes that he was making, why people were important, blah, blah, blah, blah, blah. Anyway, I remember one of the people in the audience raised his hand and he literally said, um, your actions speak so loud I can't hear a word you're saying. And it was so powerful. I was like, wow, this guy's telling off the plant manager, but it's true. You need to be the living embodiment of the vision. The second one that to me is more humorous is, uh, when we a trilogy decided we were going to become a virtual company.

Speaker 1 00:09:46 Um, and we're like, we're gonna, we're going to have like limited fixed costs. Right. And everything else can be variable costs. Right. And so one of the things we're going to do is, we're going to have like a virtual company and we're not going to have big headquarters. And our leader went home one day and he never came back. I love that story. He never came back to the office. He conducted all of his meetings on his treadmill. Right? Yeah. And he would dial you up on Skype. That was such a great modeling of the behavior that was necessary to effect the new business stream.

Speaker 0 00:10:23 Well, I love that. He asked you, he was like I said, everyone could work from home. We want to become a remote company. You know, Jim, why won't, why won't people stay home? And you responded, if I recall, you were like, "well that's because you keep coming in. And as long as the leader keeps coming in, that sends a message. It's important to be at the office." And you like to tell the story that day he went home and never came back

Speaker 1 00:10:48 He never came back. It was so awesome.

Speaker 0 00:10:52 The culture changed that day. It was, it was spectacular. So let's say you communicate your plan and people are not onboard. Right? Sometimes people who don't want the change to occur will actually try to actively sabotage it. Right? Like this is stupid. Let's light our torches and storm the castle, which I mean, they do, they're like rallying the troops, like let's take a vote on how stupid the changes and like the leaders like "Holy shit with a mutiny." And so what, what is your recommendation? The leader comes in like Jim, I've lost control of the horses. How does this what'd you do when this happens to you? Cause I think it happens a lot.

Speaker 1 00:11:34 If that's a member of your senior leadership team, uh, you can have no patience. You need to fire the person. The person is, uh, maybe a nice person, but it's a cancer in your organization. Um, it can't be tolerated. Uh, and I can tell you that if someone's actively opposing change, the number of casualties I've seen versus converts, it doesn't compare. There's far more casualties and change than there are converts. So if you think you're going to change that person who is actively opposing you, you don't have a very good chance of doing that. Be impatient, cut the cord and move on.

Speaker 0 00:12:10 I think a lot of people get confused because they're like, but there's such a strong contributor or they're really smart. And you're like, you just have to cut them out.

Speaker 1 00:12:18 No, you, you really do. And uh, this where goes back to our Mr. Spock and Mother Teresa. When you're making a decision, whether somebody is a competitively superior performer or not, you need to like think in a cold, dispassionate way, is this person creating competitive advantage for us? And if the answer to that is no, you need to move that person out of the organization. And when you move them out of the organization, I always say to people, you got to change from Mr. Spock to Mother Teresa, especially someone who's been there a long time. That is that's terrible. It's hard. Be kind. I remember when I was working at Bristol-Myers Squibb, I worked for the vice chairman of the company. He said, this business is so big. My only lever is I got us going to make sure we have great leaders everywhere.

And I remember we had a finance person who was struggling. He had been with the company a long time and uh, we had the meeting and we decided to move them out of the organization. And the vice chairman sat there and it was, there was no emotion. He was just like, okay, it's time. We've got to make this move. However, after the meeting, he asked me to come to his office and he said, Jim, um, that person's wife has cancer and we are not going to do anything until you come back and explain to me how we're going to make sure that she, and he don't waste a second worrying about whether she can get the care that she needs. Yeah. It was a great example of doing it the right way too many times. People reverse the roles. They're mother Teresa on the call. Right. And then you finally get to the point where you're gonna move them out and you switched into Mr. Spock and you're treating them like dirt,

Speaker 0 00:13:53 Right. They just want to rip off the Band-Aid and get out of the conversation as quickly as possible. And they turn out to be, I mean, assholes. Right?

Speaker 1 00:13:59 Well, it's, it's so true. The art that you can do it in a way that's respectful and allows that person to move on and help them transition to something though.

Speaker 0 00:14:08 So, so let's get into that. I think that with the move to the public cloud, there's going to be some reductions in force at some of these telcos, right? Where they are reshaping the work and they just don't need as many people as they have employed. I ran my first layoff when I was working under Jim and I learned so much from that experience. And I literally reuse that process over and over again, whenever, whenever I have to do it. So Jim, what are your two or three tips that we can give our telco exact listeners on how to make sure this goes as smoothly as possible

Speaker 1 00:14:39 Layoffs are a dirt sandwich. They're terrible. Don't try to convince people that layoffs are great. So the thing about creating desire, it does not apply. Yeah. You need to say people, uh, that you regret the decision you have to make. You don't want to lay people off, but it's absolutely necessary given the situation in which we find ourselves as a company and the things that I would encourage people to do is number one, follow the golden rule, treat the people the way you would want to be treated during a layoff you're overriding objective and

doing a layoff is to eliminate uncertainty because that's how you get rid of unnecessary anxiety. Yeah. And then finally, uh, in addition to doing that for the people or leaving everybody else, who's staying is watching what's going on. It's determining how they feel about the company, right? So there's a right way to do these things and the single best person I've ever met to do them as you, you're extraordinary. You, you started at the very first time at trilogy and you carry that over. And probably every single company you've ever turned around,

Speaker 0 00:15:45 I actually get compliments on my layoff process. It is a dirt sandwich. It's like, I hated a dirt sandwich, but of all the dirt sandwiches that was about the best.

Speaker 1 00:15:57 I used to take pride in this too. I always say that this gets back to your Mr. Spock and Mother Teresa, but you want to be brutally honest, but you don't want to be brutal. Yeah. The other thing, in addition to being extraordinary, you're super bolding creative. So you do way more things than I was ever comfortable with. Like this whole thing with anybody can quit.

Speaker 0 00:16:16 Oh, that's my pay to quit program.

Speaker 1 00:16:19 First time CEO of a publicly traded company. And you allowed your CFO to take voluntary severance.

Speaker 0 00:16:30 This goes back to the change framework is actually a change framework where if you're communicating change and your direct a leadership team is not excited. We were on the verge of bankruptcy. We had to go raise, I mean \$55 million. We had a lot. I needed to change out the people and close entities, close offices. I needed to cut a hundred million dollars of cost. And when you turn your leadership team and they're saying, wait, can I get voluntary severance? I'm like absolute fucking lutely. You can leave immediately. Goodbye. But it's crazy. I was crazy.

Speaker 1 00:17:12 There you go. There you go. There you go. Anyway. I'm proud of you. That is bold.

Speaker 0 00:17:17 No, it's awesome. I would do it again in a heartbeat.

Speaker 1 00:17:19 Hey, by the way, when you explained to me what was going on. Yes, that's the right move.

Speaker 0 00:17:24 So how about stories or examples when change implementation actually fails? Right? Just isn't there.

Speaker 1 00:17:32 Yeah. I can think of three reasons that I've been exposed to where I think change efforts fail. Um, number one, um, uh, you're in a bad industry, obviously, you know who Warren Buffet is? He has some saying, it's something like when a good manager, a bad industry, the industry wins, right? So it's hard to win cause the world's against you. The

second thing that I thought about is when you have a bad plan. So we talked last time about transformational leaders. They do really disruptive things, right? But sometimes they do the wrong thing. So I was literally part of a company one time where, uh, a big transformational decision was made. It was implemented flawlessly from a change management standpoint, but the change competitively disadvantaged the company, it destroyed billions of dollars of shareholder value.

Speaker 0 00:19:17 So a lot of times, you know, you've decided you're changing the work and you identify that you need new skills, right? When you're bringing new people on board, how do you get them engaged in part of that new future really quickly,

Speaker 1 00:19:32 You immerse them in the new way of doing business. It's kind of a pain in the neck sometimes to have to hire new people because they don't know what's going on, but you need to realize you're writing on a clean slate and you can immerse these people in the way that you want things done. Are you picking people who don't just have the technical skills that you want, but are bringing the right mindset in terms of how to work when they come into the company, are you orienting them in a way that they understand what you're all about when they go into a job? Is it designed in a way where they're doing the things that they need to do to make the vision happen? It's all those HR processes and systems that really can lock in the new culture that you want. That's what strategic HR is, right? You think about what is my strategy and now how do I make sure that all my HR processes and systems are carefully crafted in a way to lock in and institutionalize that cap behavior? Yes. You want to think about how everything you do in HR flows from and reinforces the strategy of the business.

Speaker 0 00:20:31 So this was an awesome talk, Jim. I mean, we could go on for, we probably have gone on for hours and hours.

Speaker 1 00:20:40 This was so fun. This is what you told me it was going to be when you wrote that first email.

Speaker 0 00:20:43 You always give us like, just awesome things to think about with great stories and examples that make it just super real. And I, I love talking to you. So thank you so much. Thank you. Super fun. Stick around because we're ending each podcast with a telco in 20 takeaway. I have 20 seconds to tell you something.

Speaker 1 00:21:02 You need to know.

Speaker 0 00:21:05 Jim and I laid the groundwork for ushering in big change. AWS will also be talking transformation during its Re:Invent 2020 conference running from November 30th through December 18th. That's three weeks of keynotes, breakout sessions, launch announcements, and other great stuff. But frankly, more than you probably need and not all of it is geared towards telcos. That's where I come in. I'll be culling conference content for the most critical takeaways for telcos and sharing them on telcodr.com, my website, and on my

Twitter and LinkedIn accounts. So stay in touch over the coming weeks and move to the head of the class. Goodbye Clifs Notes, DR Notes are taken over.

Once again, I want to give a huge thanks to my good friend, Jim Abolt, and thanks to all of our listeners. Don't forget to hit that subscribe button, share our podcast with your colleagues, and if you liked what you heard, leave us a review. Let's connect on LinkedIn and on Twitter @telcodr. Sign up for our email newsletter at telcodr.Com that's T E L C O D r.com. We've included that link in our episode, resources, along with my two-part blog about Jim's framework for change. And you can text me too at 925-telcos

Later nerds!