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AMA RESEARCH



The Human Side of Change Management

AMA recently polled more than 1,500 HR and learning and development leaders on their change management initiatives.

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Leaders Need to Turn and Face the Change

After hitting as a TikTok trend in the late summer, the mainstream media discussion of the concept known as "quiet quitting" began earnestly in the fall. Also known under other terms—"Acting Your Wage" and "Working to Rule"—this trend signals that employees are tired of hustling for no real reward except additional stress and all of the mental and physical health problems that brings.

Employees have a lot of reasons for feeling this way. With stagnant wages and inflation pressing on them, and employers calling for them to commute once again to the office and wanting things to get back to normal, Millennial and older Gen Z employees are burned out. After more than two years of the COVID-19 pandemic and the continuing threats of climate change and more recently, the conflict in Ukraine, business leaders are going to need to be able to make changes at their companies, and more important, get employees to accept and support those changes. And getting quiet quitters to buy into change poses a further challenge.

However, employees who feel that companies—and their leaders—have invested in them are much more likely to do more than the bare minimum when asked.

AMA, in polling HR and learning and development executives, found that many employees were resistant to change. But AMA executives say that because a change management plan is only as good as the motivation, focus, attitude, and leadership of the people who are implementing it, learning the skills of how to effectively manage change is essential.

Among the authors in this issue of *AMA Quarterly*, Vaya Group's Michelle Bush offers some strategies to handle quiet quitters and get them to be engaged employees. And Hilton's Christopher J. Nassetta highlights how the hotel group's success relies on employee innovation.

AMA helps leaders learn the skills that make employees feel valued. In turn, these employees will go from quiet quitting to engaged and supportive of the change needed for companies to thrive.

Christiane Truelove
Guest Editor, *AMA Quarterly*

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Change Is a Constant

Change is no longer a force in the environment—it is the environment. Organizations around the world struggle to keep their footing in a whirlwind of technological innovation, customer demands, competitive pressures, globalization, and economic volatility—knowing that any of these forces can turn a business model upside down and, in an instant, render even the best strategies obsolete.

As a society, we have never been more aware of how change is a constant and will always be present in both our personal and professional lives. The key for leaders is how to manage and communicate change and how to effectively adapt to new circumstances. Adjusting and readjusting to a business environment that is always changing can seem a never-ending struggle. Leaders need specific skills to be able to adapt. Otherwise, your organization's productivity and your business results may suffer.

Leaders looking to help their organizations make sense of change in today's world need a completely different set of skills than did their counterparts in the last century. Forget about issuing orders or coercing with threats. Success in today's workplace takes emotional intelligence, employee engagement, and creative collaboration—all learned behaviors. It takes leaders who know how to harness the energies and talents of others while keeping their own egos in check, and leaders at all levels who manage by influence rather than by position.

Abrupt change that comes as a complete surprise is the most difficult to accept, as we have all learned in the past few years. To reduce fears of the unknown, effective leaders can "set the stage" by informing people upfront about real-life and business challenges and opportunities that are likely to become the future impetus for organizational transformation.

In this issue, we outline several strategies that can assist and support organizations as they navigate an ever-changing external environment and its impact on the workplace, and keep them focused on the path to prosperity.

A handwritten signature in black ink, appearing to read 'Manny Avramidis'.

Manny Avramidis
President and CEO
American Management Association

The Human Side of Change Management

BY CHRISTIANE TRUELOVE

It is more critical than ever to address the human and business strategies needed to manage change today—how it affects your people, your awareness of it, and the way to approach it.



In life, change is inevitable. The way our reality has changed in the last two years as a result of the COVID-19 pandemic is unprecedented, and many of these changes are not going away. As COVID-19 shifts to being endemic, leaders will have to continue to think on their feet and be ready to deal with ongoing change.

AMA defines change management as “a systematic approach to dealing with the transition or transformation of an organization’s goals, processes, or technologies, with the purpose of implementing strategies for affecting change, controlling change, and helping people adapt to change.” AMA executives say that because a change management plan is only as good as the motivation, focus, attitude, and leadership of the

people who are implementing it, learning the skills of how to effectively manage change is essential.

KC Blonski, senior vice president, Corporate Learning Solutions, at American Management Association, states, “It’s the people who make change happen. It’s your employees who hold the key to real transformation and business results, and most people are creatures of habit. Change forces us to deal with ambiguity—the great unknown—and many people struggle with that.”

According to Jeff Becker, director of Corporate Learning Solutions at AMA, the normal reactions to change are uncertainty, anxiety, and resistance. “They are part of the whole change process,” he says. “But they can slow the adoption of change initiatives,

stalling progress, and can even hit the bottom line.”

THE STAGES OF CHANGE MANAGEMENT

AMA leaders say there are multiple stages to change. The phases of the change management cycle as defined by AMA are understanding change drivers and their impact; understanding the barriers to change; communicating change; managing resistance to change; getting further buy-in and commitment; and evaluating the impact. Each step flows into the next. Usually, in the first stage is denial, then resistance. Next comes exploring the change.

According to Becker, leaders need to be aware of active and passive



resistance that lingers. While employees should start to move into exploring change within a few weeks, resistance beyond that will need to be addressed.

"Watch for negative comments, predictions of failure, or disruptive behavior," Becker says. "Passive resistance could simply be denial. It could be silence. It could manifest itself as a victim mentality. Passive resistance is a less overt behavior, but you need to identify it. Your role here as a change leader is to listen and observe their reactions."

Resistance isn't something to be managed—it needs to be facilitated. "It's a necessary process people need to go through before they can embrace change," AMA executives say. "Your role, as a change leader, is to help move that along, to communicate with others who are in resistance. Sometimes this is hard, and you may find that you're also resisting. So this process involves self-awareness in addition to awareness of others."

Another thing that leaders need to look for is silence, but this may not necessarily be a bad thing. Becker says that silence does not always mean that someone has not bought in. They may have bought in and be just fine, or they may have questions or may be processing the change and trying to understand where it is. "So just pay attention to that sense of silence, without jumping to conclusions about what it means," he says. "It could be resistance, or it could be that they are thinking through the changes they need to make."

ADDRESSING RESISTANCE

An AMA poll found that to manage change, 80% of the responding leaders

AMA recently polled more than 1,500 HR and learning and development leaders on their change management initiatives. When asked how employees have responded to change in the past, respondents indicated only 9% bought into and committed to change quickly.

The rest floundered a bit:

- 40%** eventually accepted it
- 32%** were nervous about it
- 9%** felt agitated or alarmed
- 9%** were neutral

The cumulative effects of this very human reaction to change are enormous.

In the same poll:

- 54%** reported an increase in anxiety and a feeling of uncertainty as a result of change
- 24%** reported an increase in resistance
- 10%** reported a lack of productivity



Change management is a systematic approach to dealing with the transition or transformation of an organization's goals, processes, or technologies, with the purpose of implementing strategies for affecting change, controlling change, and **helping people adapt to change.**

said they supply regular communication, and 34% try to actively anticipate responses to change. Leaders also reported attempting to remove barriers and providing weekly meetings.

But active listening can also be used to move employees through the next stage of change. "Invite responses," says Becker. "Get people to talk. Ask questions. Listen without judging, because this is where you begin to build trust."

By listening, leaders can learn which of the "human" factors are likely to derail or stall an initiative later. According to AMA leaders, "You can't begin to remove obstacles if you don't have a clear understanding of what they are or why they exist in the first place."


As Blonski puts it, "You can't overcommunicate in this stage. The ability to continue to communicate throughout a change initiative is absolutely critical. A communication plan and a multiphase rollout can also help with this. Change initiatives are more successful in an environment where there is full transparency, a feeling of trust, and authenticity. Employees have to feel comfortable raising concerns and obstacles to change. By breaking larger initiatives into phases and smaller groups, we find employees are more likely to raise concerns and open up about anything that would hinder the initiative's success."

GET EMPLOYEES INVOLVED AND PRAISE THEM

AMA says that to make people want and accept change, leaders must get them involved early on. Ultimately, people support what they help create. "We generally don't like to be told what to do," Becker says. "But if you can engage me in a solution, I'm more likely to support it because I helped create it."

Leaders need to think about how they can involve employees. At the very least, do an assessment of employees' needs and get their input directly on the process, Blonski says, which can save a lot of time and effort later.

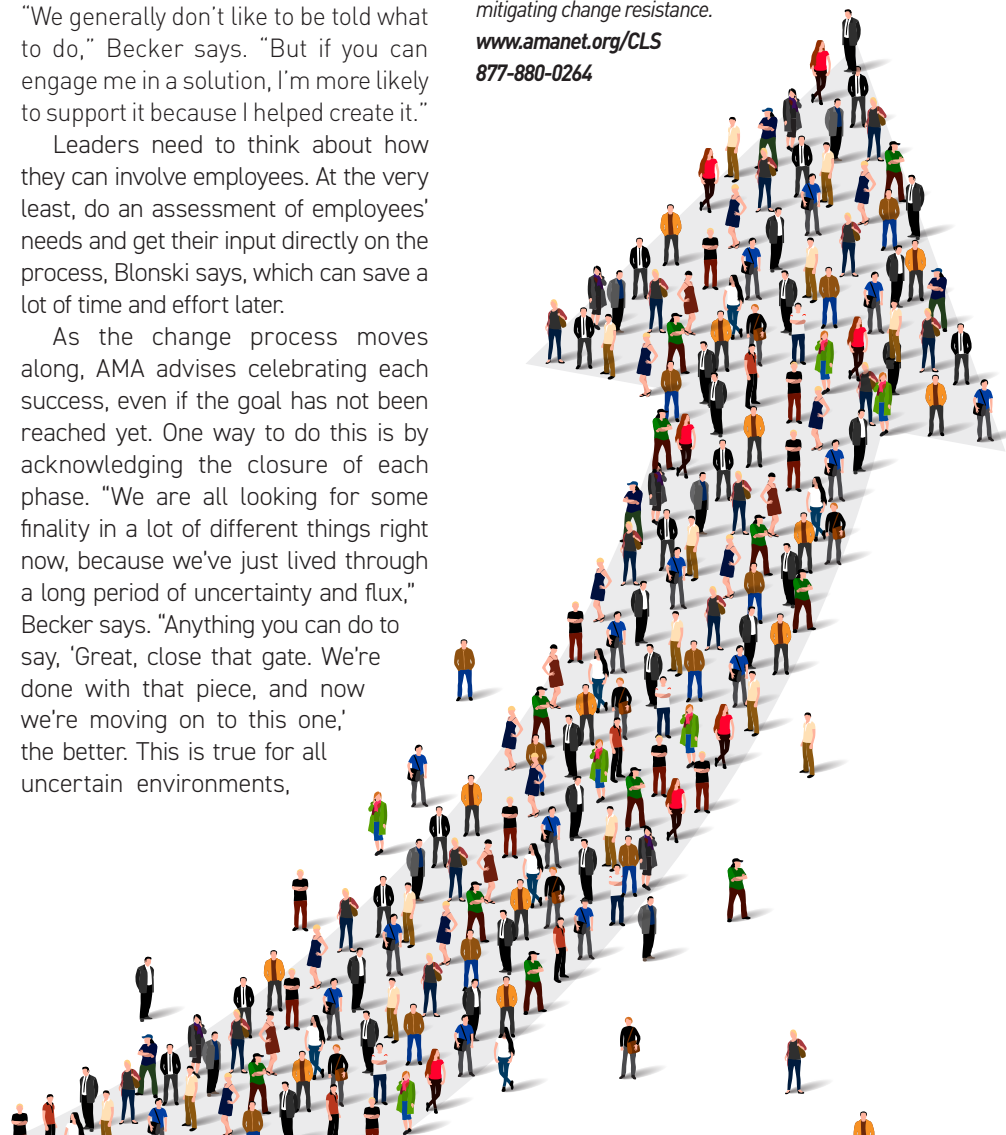
As the change process moves along, AMA advises celebrating each success, even if the goal has not been reached yet. One way to do this is by acknowledging the closure of each phase. "We are all looking for some finality in a lot of different things right now, because we've just lived through a long period of uncertainty and flux," Becker says. "Anything you can do to say, 'Great, close that gate. We're done with that piece, and now we're moving on to this one,' the better. This is true for all uncertain environments,

because closure contributes to the feeling of certainty. Closure is a sign of success and progress." 

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QUIET QUITTING

Four Strategies to Correct the Course

BY MICHELLE BUSH

As “quiet quitting” is discussed in the mainstream, managers need to figure out new, intentional ways to engage burned-out employees.

The TikTok-inspired “quiet quitting” philosophy describes a trend in which disengaged and burned-out employees actively reject the “hustle culture” by setting stringent boundaries in the employee-employer relationship and doing the least amount required. The 2022 trend follows not far behind the COVID-19 pandemic-driven Great Resignation, with companies laying people off in droves and shifting others to remote work.

The pandemic brought with it uncertainty and unpredictability on a global scale. Many companies were devastated, and almost all experienced unprecedented upheaval as they scrambled to adapt to a new reality. Hard choices had to be made to keep moving forward. One could not ignore daily reports of rising COVID-19 numbers juxtaposed with companies floundering and job losses. Job insecurity became the norm for millions of people.

Even as the pandemic flared, employees who remained on the job were asked to accept extra responsibilities—or thought they needed to overperform to hang on to their jobs. In the remote workforce, people were disconnected from daily interactions

and camaraderie and often any unifying sense of purpose other than weathering the storm. Working remotely led to blurred boundaries between their home and work. Given the isolation and insecurity, people felt alienated and stressed, a recipe for burnout.

As the economy rebounded, with now record low unemployment, employers are scrambling to retain and compete for qualified employees. Heightened job security allowed people to take a pause to reassess their approach to work and life. At the same time, the trend of quiet quitting has hit unprecedented levels. According to a Gallup poll in September, quiet quitters comprise more than half of the U.S. workforce.

Quiet quitting should serve as a wake-up call to organizations and frontline managers, who can make or break the employee experience—as the adage goes, “Employees don’t quit companies, they quit managers.” A manager knows who on their team will go the extra mile and who will not. They may believe they are already doing all they can to boost morale and foster



productivity. If they are not seeing the desired results, they need to keep looking for better ways to mitigate quiet quitting. Here are four strategies to consider:

1 PAY PEOPLE WHAT THEY ARE WORTH

One underlying assumption behind quiet quitting is that employers expect more work out of people than they are willing to compensate for. By definition, work is about exchanging your life energy for compensation. Financial gain—including salary, benefits, bonus structure, and advancement opportunities—plays a major role in attracting prospective candidates and retaining quality employees. In fact, money ranks among top priorities in deciding whether to accept or leave a job.

Do not overlook the obvious. People want to be paid what they are worth for the job they perform. In a competitive job market, employers must bring their best offer to the table and be willing to negotiate or they will risk losing a viable candidate. By the same token, existing employees need to be able to see a path forward financially to feel incentivized. Consider publishing salary ranges for every position in the organization, so employees know they are being paid fairly and know they can aim higher by gaining new skills.

Overworking and underpaying employees can yield gains in the short term. However, doing so is not a sustainable model for most organizations. Work-life balance matters at any stage of life. Providing a healthy balance demonstrates respect for

people and helps build loyalty, so they will stay engaged—and go above and beyond when it matters the most.

2 IMPROVE DIVERSITY, EQUITY AND INCLUSION (DE&I)

By 2025, Millennials are expected to comprise about 75% of the workforce. Millennials and younger generations value and actively seek out diverse workforces when job hunting, according to Deloitte, which noted this trend in its 2014 survey “Big Demands and High Expectations: The Deloitte Millennial Survey.”

Bernard Tynes, Forbes Councils member, wrote in his March article, “The Importance of Diversity and Inclusion for Today’s Companies,” that greater diversity in the workforce leads to happier and more satisfied customers and employees. “Having a diverse workforce means happier and healthier employees, customers feel more respected and managers have greater access to the talent and skillsets they need for their organizations to thrive,” stated Tynes, who is senior VP and director of marketing and data analytics, Penn Community Bank.

Conversely, businesses that do not actively seek and promote diverse talent often show a lack of representation and opportunities for women and people of color (PoC), which can alienate customers and lead to dissatisfied employees. In the 2nd Annual Vaya Vision Survey, a recently released national survey of U.S. professionals across IT, healthcare, professional services, and banking/finance, despite efforts by employers to invest in leadership development and DE&I programs, certain

4 strategies to consider:



1 PAY PEOPLE WHAT THEY ARE WORTH

segments of employees are being left behind. The survey shows that advancement opportunity gaps continue to persist between men and counterparts who are women and PoC, and these problems can be linked to a lack of investment in their development. Women are 49% less likely than men to participate in company-sponsored leadership development programming. Additionally, women are 26% less likely to receive employer-based mentorship and coaching opportunities after training, and they are less likely to receive any follow-up support at all.

Solutions can only be found if a problem is acknowledged. The survey found that almost half (45%) of white men in the workplace believe there is equal access to training and development, while a vast majority of women, PoC, Gen Z, and younger Millennials know firsthand that's simply not true. The time for organizations to do better is now by investing in a more diverse, up-and-coming leadership team supported by development programs to advance careers. This intentional effort in supporting and developing diverse talent can enhance employee motivation—thus reducing quiet quitting—and bring the added benefit of improving team performance.

3 ENGAGE AND CONNECT

A high level of engagement has always been key to attracting and retaining quality employees. Managers account for at least 70% of the variance seen in employee levels of engagement, according to Austin Suellentrop and E. Beth Bauman, writing for Gallup in June 2021.



2 IMPROVE DIVERSITY, EQUITY AND INCLUSION (DE&I)

This study alone emphasizes the importance of helping managers understand how to best engage and connect with their teams.

Managers who actively engage their employees not only keep people productive but also show they value team members as individuals. People who do not feel emotionally supported in their work environment are more prone to make errors and less likely to grow in their roles, as stated in Jon Christiansen's September 2019 *Harvard Business Review* article, "8 Things Leaders Do That Make Employees Quit."

As Gallup noted in its September survey, in this post-pandemic reality, remote Gen Z and younger Millennials cite a significant decline in feeling "cared about" and "having opportunities to develop" in their current jobs.

A paycheck shows an employee the quantitative value they bring to the company. People need qualitative validation as well. That starts with meaningful communication and active listening. "The employee experience begins and ends with the manager," said Suellentrop and Bauman.

Furthermore, establishing and communicating a powerful organization mission that touches the hearts of people makes wise business sense across the board—to attract and retain customers, partners, and employees. People who feel part of a larger mission or purpose are more likely to invest the "extra" effort than those who work for a paycheck alone.

Managers need to be willing to candidly address quiet quitting and other unproductive behaviors with their direct reports. In doing so, they should seek first to understand. Employees



3 ENGAGE AND CONNECT

should be routinely asked about their values related to the workplace, what they need and want in a career, and what they are unwilling and willing to do to make their goals a reality. Honest dialogue creates a safe space and opens the door to provide more individualized development opportunities to help people grow professionally.

Make a point to recognize (reward) those who go above and beyond, and those making progress. Be sure their positive efforts are acknowledged one-on-one, verbally or in writing, and to their peers in a team meeting and to higher-ups. People need to be acknowledged for what they do right. Some companies highlight a different employee every week or month. Focus recognition to highlight why their work matters and the value they bring to others. Work environments that stoke positivity create an upward force on individuals and the group and, in turn, enhance emotional connectivity.

4 SHOW FLEXIBILITY

The pandemic led many to reconsider how they live their lives, what they value, and what is important to them. Despite differences in the way men, women, and minority groups in the Vaya survey view their workplaces, they do agree on some priorities. They desire flexible work hours (42%), the ability to work remotely (39%), wellness benefits (39%), and advancement opportunities in the workplace (34%).

People don't necessarily want to bring their lifestyle to the office, but they want an employer to recognize that they have a life and



4 SHOW FLEXIBILITY

values of their own. Increasingly, job seekers are gravitating to organizations aligned with their values. Yet, with today's workforce being a mix of fully remote, in-person, and hybrid, recognizing individual priorities and values can be challenging.

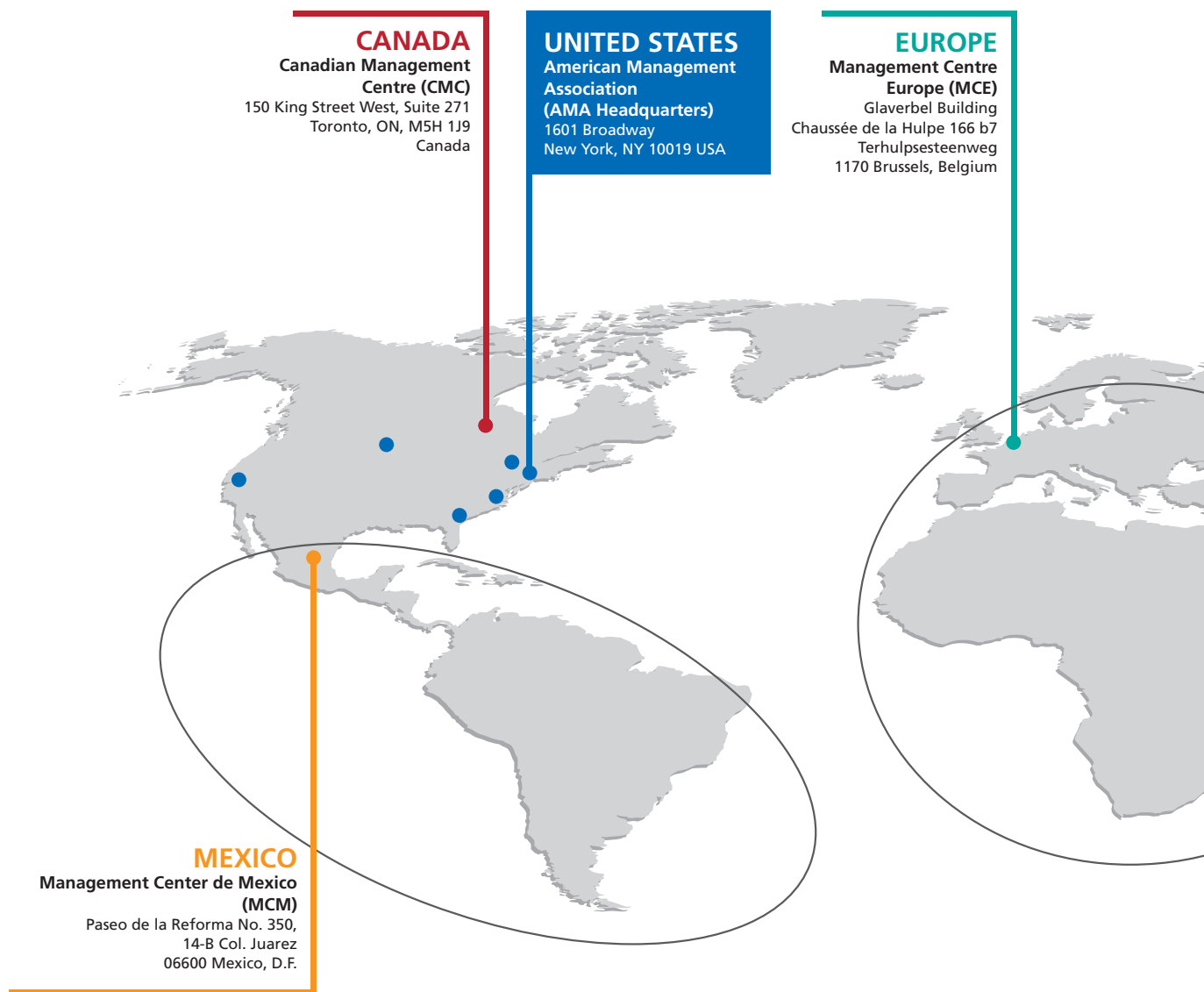
Virtual training is one flexible way that employers can meet the unique needs of their employees. People no longer seek out formal weeklong training programs that take them away from their home and routines, preferring instead to engage in smaller, bite-size learning programs that can fit into their day-to-day working rhythms. Employers who embrace innovative approaches to developing employees can realize significant boosts in engagement.

As an example, gamification is a tool in leadership and development that has proven effective to combat employee apathy. A TalentLMS survey noted that in addition to boosting productivity and engagement, 83% of employees who receive gamified training feel motivated, 89% feel more productive, and 88% feel happier at work.

Although the world steadily returned to normalcy and greater predictability, there is room for us all to grow. Organizations became more resilient with a greater openness, flexibility, and willingness to adapt. Career development and investments in talent are crucial to continue that momentum. The right structures and systems, especially at the management level, can make all the difference in building a culture that values people and yield dividends to the business. [AQ](#)

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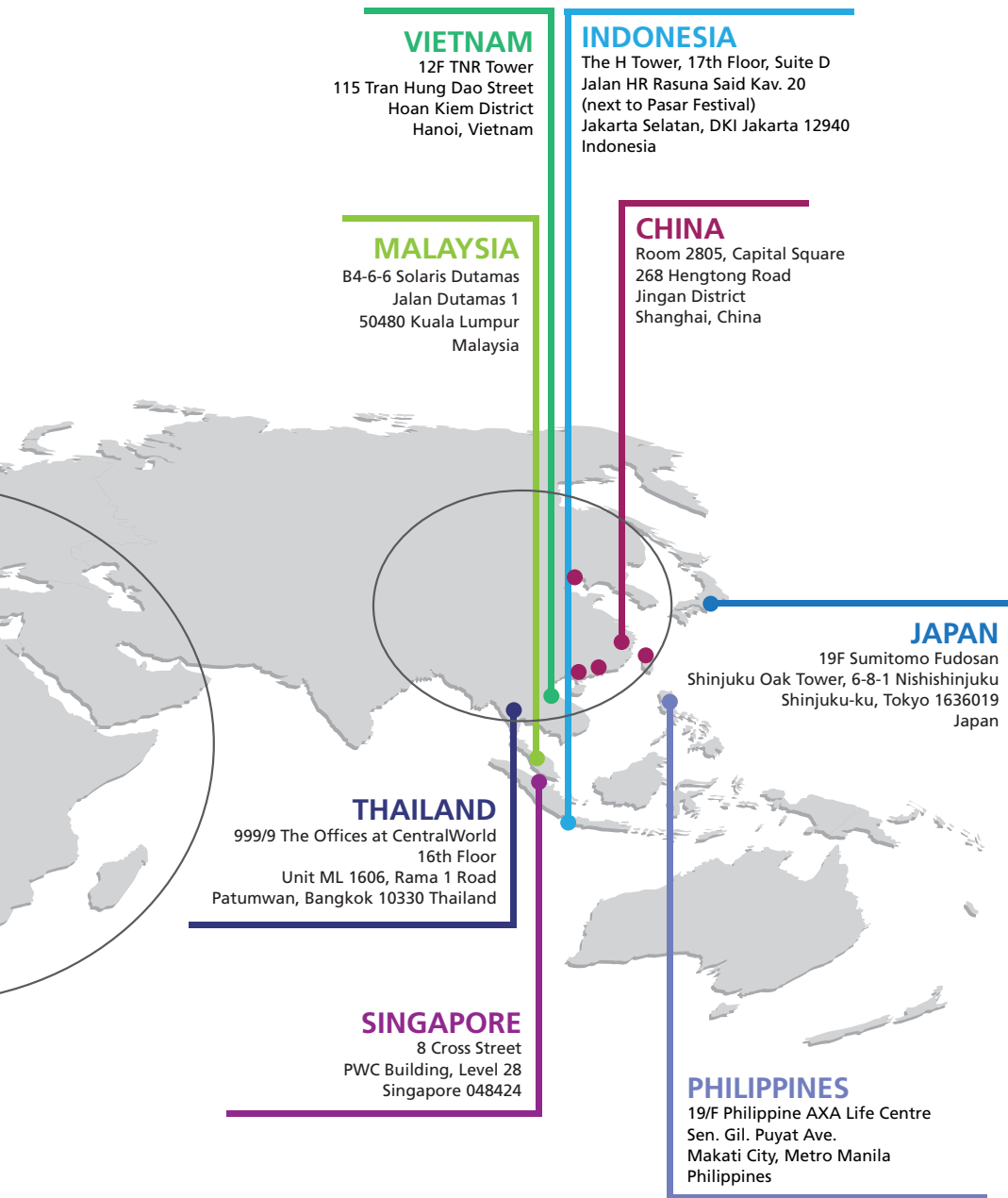
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Employee-Driven Innovations Fuel Growth

BY CHRISTOPHER J. NASSETTA

For more than a century, Hilton has pioneered innovations that define the hospitality industry today.

Most of us take for granted ordering room-service, having a TV or minibar in our room, making reservations from a centralized booking system, staying at airport hotels, and even enjoying air-conditioned rooms—all innovative firsts pioneered by Hilton and reflective of our commitment to create exceptional experiences for travelers.

Other innovations have extended far beyond our industry firsts and into pop culture, like iconic foods and beverages that trace their roots to Hilton team members.

For example, the average person might not recognize the name Ramón “Monchito” Marrero. Ramón was a bartender at Hilton’s first property outside the U.S. mainland, the Caribe Hilton in San Juan, Puerto Rico. He experimented with a new recipe that blended rum, coconut cream, and pineapple juice into a refreshing and sweet beverage. After three months of perfecting the recipe, Marrero felt the drink finally captured the flavors of Puerto Rico, and that is how the “piña colada” was first introduced.

Marrero served the new cocktail for 35 years, and it became the official drink of Puerto Rico in 1978. It has since inspired everything from a jellybean flavor to a hit song, and has become

a fan favorite in our hotels and bars and restaurants around the world. The innovation doesn’t end with the piña colada—from brownies to eggs Benedict and the famed Waldorf salad, there are countless examples of team member innovations with long-lasting impact on global culture.

As proud as I am of Hilton’s century-plus legacy of firsts, we can’t rest on our laurels. That entrepreneurial spirit fuels us today and inspires a culture of innovation that will shape the hospitality industry for years to come.

With hundreds of thousands of team members working in our more than 7,000 hotels around the world, every day we find opportunities to refine the guest experience and deliver for our stakeholders. There are five simple ways we look to drive innovation with insights from our Hilton family as the inspiration for impact:

EMPOWER PEOPLE

I was struck by findings of American Management Association’s recent survey of 6,000 employees across 11 countries about innovation. Two findings jumped out: First, nearly 40% of employees said they had an innovative idea to improve



something at their workplaces but didn't share their ideas. Second, only 26% of employees indicated their managers encourage them to bring forward innovations.

These are distressing data points when you imagine the number of creative ideas and solutions that could have been introduced—and the potential those ideas had to transform a business. More important, businesses that fail to foster a supportive culture of innovation risk losing their talented employees—and their ideas—to other companies where a solutions-oriented mindset is nurtured and recognized.

Alongside the many technological advances that drive business innovations at Hilton and beyond, I have always believed that a company's workforce—particularly for customer-centric industries like ours—drives customer satisfaction and, importantly, fuels growth. At Hilton, we never forget that we are in the business of people serving people. The hospitality we show our guests starts with the hospitality we show our team members. We know that when our team members feel that they can bring their authentic selves to work, in an environment that supports their professional ambitions, they will go above and beyond for our guests.

That's why we've developed industry-leading programs and initiatives to support our team members. Adoption assistance and parental benefits, GED assistance and sabbaticals, mental health support, lifelong learning opportunities with partners like GUILD Education, our "Go Hilton" team member travel program, and other leadership and development programs are all part of our strategy to take care of our people, and in turn, our guests.

And though these efforts may not inherently seem tied to innovation, countless studies, leadership books, and management courses point to employee satisfaction as a key factor to help businesses thrive. The opportunity for career growth within a company fuels deeper engagement, too. Many Hilton team members started in one role within hotels and advanced into expanded leadership responsibilities throughout their careers by being champions of innovation.

Hilton would not be able to grow as it has into a global brand opening more than one new hotel a day without a culture that encourages and rewards hard work while at the same time showing team members that we care about the input they share based on their interactions with guests.

GET ON THE GROUND FLOOR

Fostering innovation cannot be confined narrowly to one department, operating unit, or leader, nor be bogged down in a process too rigid to bring innovative ideas forward. I strongly believe that in order to effectively lead a business, you must understand what happens on the front lines or ground floor. This is especially true for businesses like hotels, restaurants, and retail, where guest experiences cannot be fully understood through data alone. The direct feedback I get from our best-in-the-business team members and guests when visiting our hotels is invaluable.

For example, at Hilton, we instituted an immersion program for senior leaders to spend a week in a hotel doing the foundational jobs of our business to both gain an inimitable perspective and appreciation for the many roles impacting our guests'

“As leaders, it’s our job to offer a strong foundation and paint a picture of a brighter tomorrow for our teams—we have to inspire them to push toward growth and innovation.”

experiences, as well as provide an opportunity for our teams to share their ideas for improvements or enhancements directly with our most senior leaders.

KNOW THAT LITTLE THINGS MATTER

It might not surprise you that I spend a lot of time traveling—in a typical year, about 80% of my time is spent on the road, visiting our teams and hotels around the world. And though not all our guests are road warriors like me, there are some travel experiences that are universal.

Take a hotel room bathroom, for example. It’s an unfamiliar space—you don’t know its quirks like you do your own bathroom at home. When you turn on the shower for the first time, what can you expect? I can guarantee that no matter your preferences at home, what you aren’t looking for is a face full of cold water while you calibrate that dial, which is why I check every bathroom I visit to see if you can turn the shower on without getting wet. Similarly, if the pillow isn’t comfortable or the lights in your room aren’t easy to turn on or off, you’ll remember.

We certainly aren’t perfect, but our teams are intensely focused on getting the little things right and taking friction out of the guest experience. And the pre-arrival and arrival experiences matter just as much as how a guest makes use of the room, which is why we’ve invested in our Hilton Honors app to allow our members to check in, choose their room, and get their room key all on their phone. Guests can even book confirmed connecting rooms, a newly released feature that solves an age-old travel conundrum for groups and families. The app functionality also frees up our team members to focus on the experiences they’re creating for our guests. Those little details can make or break a stay—and in the long run, a customer’s trust in our brand.

CREATE CONSTRUCTIVE FRICTION

When you’re leading one team or an entire company, it’s easy, and all too common, to surround yourself with people who have the same point of view as you or come from the same experiences. That’s putting your business on the express lane to stagnation. Echo chambers stifle innovation and leave you mired in a sea of sameness.

Throughout my career, I’ve intentionally assembled leadership teams by bringing together people who have different expertise, perspectives, and passions to create constructive friction. This

does not mean that you’re fostering combativeness; rather, you’re making space for unique points of view and experiences that bolster innovation and progress.

As a leader, you’ll make mistakes and you won’t always get the balance of personalities and experiences absolutely perfect, but by making the effort to get outside your comfort zone and invite some differing points of view you’re setting your business up for greater success in the long run.

DRIVE INNOVATION WITH STEADY PLANS

Finally, and perhaps counterintuitively, Hilton does our best innovating when we are laser-focused on executing against our long-term business strategy. Maintaining a steady approach gives our teams a freedom within the framework of our consistent business strategy to creatively solve problems and achieve our goals. As leaders, it’s our job to offer a strong foundation and paint a picture of a brighter tomorrow for our teams—we have to inspire them to push toward growth and innovation, and I’ve found that comes easier when everyone is focused on the same key priorities. Chasing fads or responding to every potential idea can introduce a lot of uncertainty among teams and a lot of distractions from the primary focus and longer-term growth.

A wiser management strategist than I once said that “culture eats strategy for breakfast.” Throughout my career, those words have been proven right time and time again. And as you push your teams to innovate within your business and deliver for your stakeholders, remember that the culture you create for your teams defines your business results. Innovation simply won’t happen if you don’t create the environment for your people to thrive.

On behalf of our 365,000 Hilton team members around the globe, I hope we will have the opportunity to welcome you to one of our hotels and share our signature hospitality very soon. And if you have a suggestion for how we could make your stay better or deliver a new generation of innovations to meet your needs, my team and I would love to hear it. You can reach us at ceo@hilton.com. [AQ](#)


Christopher J. Nassetta is president and chief executive officer of Hilton. He joined the company in 2007 and regularly encourages Hilton team members to be innovative by empowering them to improve customer experiences and share their perspectives while fostering career growth. Nassetta has led the company’s cultural and business transformation, earning many accolades over the years, including Great Place to Work and Fortune Magazine’s #1 Company to Work for in the U.S. two years in a row.



Leaders Need to Nurture **ENGAGEMENT AND FULFILLMENT**

BY AMY CLARK

In the wake of trends from the “Great Resignation” to the “Great Regret” to “quiet quitting,” it is time for leaders to reimagine how they inspire others and make them feel fulfilled at work.



"Growth-mindset is one of the stakes leaders need to bring to the table, much like integrity and trust."

More than a quarter of people who resigned to take on new roles are reconsidering whether they made the right choice, according to the second-quarter 2022 U.S. job markets report by Joblist, an artificial intelligence job-search platform. Furthermore, Joblist reports that 42% of those who found a new job after quitting said the job has not lived up to their expectations. According to a September 2022 Gallup poll, quiet quitters make up 50% or more of the workforce, and the number of those saying they were actively disengaged increased by 18%. Gallup says the decline in workers' attitudes was related to clarity of expectations, opportunities to learn and grow, feeling cared about, and a connection to the organization's mission or purpose, and this signals a growing disconnect between employees and their employers.

The results of the Joblist and Gallup polls emphasize what we have known about effective leadership since before the COVID-19 pandemic: The relationship between a leader and his or her team has the greatest impact on employee engagement, and effective leaders help employees feel accomplished and fulfilled. People are engaged when they see their contributions bring value, they have genuine opportunities to learn and grow, and they experience sincere care for what is important to them, even if all their desires cannot be met. The good news is that we have the ability to respond to the current environment and discover ways to reimagine how our leadership approach can strengthen our relationships and shape the future we want to experience.

OUR GROWTH POINT

The consequences of the pandemic are far-reaching, and we have transformed. In a world that was accustomed to on-demand, face-to-face socialization and engagement, we quickly shifted to a distancing philosophy that had us, over time, yearning for the feeling of a handshake and hug again.

We have emerged on the other side, having grown and, in many cases, leveraged the benefit of distancing to expand our reach globally, while also looking forward to the benefit that face-to-face, in-office interactions provide in building strong relationships. Even now, we must contemplate how we need to be different to meet the challenges of our time: market and labor demands, social and economic instability, and physical and mental health impacts.

We are continuing to transform, and we are discovering our growth point: where we identify how we can be better so that we can bring our best to those who count on what we offer. This requires us to activate our growth-mindset muscle. First introduced by Carol Dweck in her 2007 book *Mindset*, a growth-mindset is our belief that with effort, learning, and perseverance, we develop our inherent qualities, so we successfully overcome any challenge we encounter. It is about exploring "what else," embracing "what if," and accepting "not yet," knowing our situation can be different if we expand our thinking and—despite our fear—we move ahead.

Growth-mindset is one of the stakes leaders need to bring to the table, much like integrity and trust. It is expected, as without this growth-mindset, we will fall behind in searching for why we could not effectively manage and overcome the challenges of our time or anticipate what could come. And like any muscle, it becomes stronger with use.

Much like when work-life balance emerged in the 1970s and '80s, and with the rise of work-life fusion over the last decade, people are reclaiming their boundaries, have a heightened awareness of their values, and are viewing their efforts today as part of a long-term plan and vision for themselves. Employees are strengthening their growth-mindset muscle by reimaging how their contributions bring a sense of fulfillment in all aspects of their lives. It is our obligation as leaders to strengthen our growth-mindset muscle to reimagine how we lead others so we can cultivate a team that is engaged and fulfilled.

HOW WE CAN REIMAGINE OUR LEADERSHIP

To balance strategic execution, operational tactics, financial targets, and stakeholder expectations, we must lean into inventive ways to speed up progress. We must look for the blind spots and examine trends to identify adjustments that will shape the future we want to see. The same holds true in people leadership as we bring out the best in others. It requires us to be open to new possibilities and seek various points of view to strengthen our relationships with those who rely on our leadership. As you reimagine what has been tried-and-true in your leadership, here are four strategies that will nurture fulfillment and engagement within your team and organization.

Be vision driven. Leaders paint a picture of the future so that others can rally around that vision and answer the call for action. To paint that picture, leaders must communicate clearly, strengthen the resources to achieve objectives, and generate optimism toward the future.

You can extend these behaviors as you help members of your team envision their future and build meaning in the work they do. By leading with curiosity, you show genuine care for their success, well-being, and purpose. To help your employees build meaning, talk to them to reveal how their work can bring purpose and explore ways to help them realize their potential and generate optimism about the future by asking them:


- What do you want to contribute, and why is it important to you?
- What do you spend time talking or thinking about that gives you energy?
- Which of your talents are you not using in your current role?

- How would you like to have a greater impact on the organization?
- What would you like to be known for?


Amplify awareness. Growth-minded leaders take deliberate steps to anticipate the needs of the market—how it is changing, what customers expect, and the problems that need to be solved. Taking in the perspective of others expands our view so that we see fresh ways to create impact and provide value-driven solutions to our stakeholders.

Your team members are your stakeholders. They rely on your leadership and service to help them grow, gain clarity on how they can contribute to the future, and ultimately experience personal fulfillment from their job. Amplifying your awareness about your team will help you gain perspective about their experience, get to know them more on a personal level, and appreciate their outlook for their future. When taking in the perspective of another, you are gaining a deeper understanding of yourself and leading with empathy. You begin to see beyond what they contribute in their work to what they hope to achieve in life. Consider asking these questions of your team to become more skillful in leading others:

- Do you feel you are receiving clear goals and objectives?
- What are your biggest challenges, and how can I support you through them?
- What is important to you? What would you want your experience to be like?
- How would you like to be recognized for the work you do?
- What is your outlook for the coming week, and how can I/the organization best support you?



“By leading with curiosity, you show genuine care for their success, well-being, and purpose.”



“Help your team
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Lead with intention. To develop and execute a business strategy, leaders must set clear and measurable goals, followed by the right intentions to help achieve them. Being intentional means that we are mindful of where we place our energy, so that we focus on the right things at the right time. It requires us to set intentions, those actions and behaviors that help us achieve our goals. You cannot deliver on business strategy without building talent. Doing so with intention means you recognize and leverage individual potential and strengths effectively. By helping your team create a path for growth and setting intentions to position them for success, you are now positioned to overcome business challenges along the way. You strengthen your growth-mindset muscle and fortify your commitment to inspire and grow others. Lead with intention by engaging your team in a discussion about what is important for their growth and development by asking:

- How is your work helping you get closer to what you envision for yourself?
- In what ways can you deepen the knowledge you already have?
- Whom at the organization would you like to learn from?
- What projects would you like to work on or be more involved in?
- What else can I do to progress your growth?

Help focus on reflection. We have all been there—the meeting after we’ve completed a major project, event, or initiative where we reflect on how it went and we are accountable. It is the time to gain insight into what helped us succeed and what caused us to falter. It helps us answer what needs to be different next time to be even better as we work to achieve business objectives.

Your role is to help your team get beyond the noise of the day-to-day so they can see opportunities and focus on what


is possible. Sometimes, however, the emotions that emerge with disappointment or failure can cloud that path and make it difficult to bounce back. Creating the right conditions for your team to reflect on their performance will help build them up during times of difficulty and inspire them in times of celebration. Engage your team in a targeted conversation to help them see beyond any limitations to generate momentum:

- What did you set out to do?
- What happened, and what have you learned during the process?
- What helped you be successful, and what can I do to ensure that remains present for you?
- What hindered your success? How can I help you overcome these challenges?
- What is top of mind right now that we haven’t talked about?

TRANSFORMATIONAL MOMENTS


Leadership is about creating transformational moments that inspire. Employing these strategies will help your team see that their contributions are valued and show that you have a genuine interest in and desire for their success—whatever that means for them. Those who have the benefit of working with you can say that they are part of a place that allows them to stay true to their values and what they envision for themselves as they have intentional goals in place to help them get there. In the end, they connect to a broader purpose, demonstrate a vested interest in everyone’s success, and believe they made the right choice by being part of the organization. The very definition of what it means to be engaged and fulfilled. [AQ](#)

Amy Clark is executive coach, human resources leader, and founding CEO of Growth Minded Leadership Group.



How Leaders Can Handle Organizational Change

BY MOSTAFA SAYYADI



Today's organizations, facing challenges such as the emergence of new technologies and the hyper-competition of the global environment, may not like change.

Yet, their leaders must embrace it. Resisting change could lead to destruction, and leaders who ignore external threats and the wide array of growing competitors will find that the train has already left the station. To create powerful change, executives need to take several steps.

INVEST IN SOCIAL CAPITAL-BASED STRUCTURES

Agility is a key component of business success today. To achieve a high level of agility, organizations need to create an equally high level of social capital. We need a new form of social capital-based organizational structure.

While organizations today must be agile, the sad reality is that as companies grow, they move away from helping the society they are established in because their main incentive generally is to prosper or, at the very least, to survive. Survival sometimes brings inertia and less agility as bureaucracies become entrenched. As a result, innovative and creative ideas in these bureaucratic environments are quickly suppressed as the efforts of the organization are focused only on achieving a high level of efficiency.

A handful of companies such as Apple, Toyota, Mitsubishi Motors, and Samsung Electronics are still focused on the original idea of helping society through technological breakthroughs. Social capital manifests itself in the form of trust, interaction, and the sharing of ideas and concerns of not only the people in the organization but also the community at large.

Social capital can play a very important role in achieving agility and reducing the gap between external changes and the

proper response to these changes. Building a social capital-based organizational structure that strengthens trust and interaction between organizational members should be the task of innovative and transformational leaders in today's business environment.

To achieve a high level of agility, social capital-based organizational structures factor in the power of trust and the design of the interaction between human resources and society. This type of organizational design increases the exchange of ideas among employees and leads to increased knowledge flow and the realization of the learning organization.

Some organizations must redesign their organizational processes and events to maximize the interaction of human resources from all parts of the company to achieve a systemic approach in volunteering, giving, and offering support to the communities that they serve. The organization becomes more compatible with its business environment through more effective, timelier, and more innovative responses to the external changes in society.

While human capital is a vital and necessary factor in achieving agility and reducing the gap between changes and the response time to them, it is social capital that uses this human capital and ultimately leads to agility. The analogy between human capital and social capital is what we call power and politics in organizational leadership. Power is human capital, and politics is using the right sources of power to enhance social capital.

Many organizations do not suffer from a lack of ideas (human capital), but they do not have effective mechanisms for sharing these ideas and using them (social capital). The social capital-

based organizational structure is the missing link for realizing the potential of turning human capital into social capital. Redesigning organizational processes and events to further align volunteers, donation ideas, and other resources can transform human capital into social capital. Through the more effective sharing and application of organizational knowledge, social capital can be enhanced and utilized.

BECOME A GOAL-ORIENTED ORGANIZATION

To create change in your company, you will need to choose a goal, but don't choose it lightly. Senior managers need to spend a great deal of time on goal setting. Low-hanging fruit is easy to pick. Senior managers in Asia and around the world view their goals not as written words, stuck in a report and never referred to again. Managers take these words and make them meaningful by implementing them as part of the organization's culture and strategy.

Goal setting is based on both cultural and strategic aspects of an organization. The true embodiment of purpose in an organization's culture and strategy spans a wide range, from maximizing market value to meeting a specific customer need. You need to add all stakeholders to the goal-setting equation. This step helps senior executives more effectively achieve their goals and not simply replace their goals with new ones.

To create a goal-oriented organization, CEOs need to write down the company's mission. While missions must be ambitious, they also must be within reason. Tesla's mission statement expresses this well: "Create the most compelling car company of the 21st century while driving the world's transition to electric vehicles." While this goal is very ambitious and futuristic, it is also specific and related to the industry in which this electric car manufacturing giant operates. By incorporating all of the cultural and strategic aspects of Tesla, the goal aims to transform the world's view toward electric cars.

Toyota presents its mission statement this way: "Toyota will lead the future mobility society, enriching lives around the world with the safest and most responsible ways of moving people." Apple's mission statement is "to bring the best personal computing products and support to students, educators, designers, scientists, engineers, businesspersons and consumers in over 140 countries around the world." And Huawei's mission statement is "to bring digital to every person, home and organization for a fully connected, intelligent world."

These mission statements are completely specific and related to the industry in which they operate. At the same time, they show that all the cultural and strategic aspects of the companies are in the service of their guiding stars.

When implementing written goals, the important component is commitment. Having commitment means including goals in all components of a strategy, from budgeting to operational risk management. Communication, continuous reporting, and sharing of ideas and stories are vital in this process. These

"To create a goal-oriented organization, CEOs need to write down the company's mission. Effective mission statements are completely specific and related to the industry in which the organizations operate. They show that all the cultural and strategic aspects of the companies are in the service of their guiding stars."

goals also should be very flexible. Flexibility means planning for specific scenarios and major changes in market trends so that the company's profits are not affected in any situation or a major change.

Finally, there needs to be a clear framework for integrating goals into the company culture. Organizational culture is the heartbeat of a company. In my experience, although this framework varies depending on the type of business and the industry in which a company operates, organizational culture requires meaningful and frequent conversations among senior executives and the rest of the company so that all members can understand "Why are we doing this?"

This means that coming up with one big, audacious goal is not the end of goal setting. Goal setting is an arduous and iterative process. Determining the goal is only the first step in a host of subsequent goals. Executives must formulate it, make a commitment to it, and include it in all cultural and strategic components. By building flexibility into the goal-setting process, executives can feel good about going into the future.

With these two steps of successful change, executives can evaluate their companies and recognize areas of weaknesses, and then create a plan to help resolve them and make the company thrive in the global business environment. [AQ](#)

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The Road That Led to ALIBABA

BY BRIAN A. WONG

Alibaba was conceived at a time before China had undergone digital transformation.

On a breezy evening in September 2009, I stood backstage at Hangzhou's leading sports venue, Dragon Stadium, peeking from behind a curtain at 35,000 excited Alibaba employees and their families. It was our 10-year anniversary, but this was most assuredly not a typical stuffy corporate celebration with droning speeches on quarterly performance or halfhearted fist pumping. What the employees got was Jack Ma, in a flowing white wig, lip-synching an Elton John song blaring over the sound system—while wooing a dramatically bashful Joe Tsai, who was in high heels and a shimmering short dress. The audience whooped at the spectacle. It was 100% in the Alibaba spirit, with team flags, whistles, and thunder sticks to boot. Alibaba had arrived. China's digital economy had arrived, floating on a magical cloud of 1s and 0s. The road to China's modernization had been, in fact, little short of miraculous, and Alibaba's meteoric rise was a reflection of that success.

In just 10 years, the scrappy business-to-business (B2B) platform, started by an unlikely motley crew in Jack's apartment, had become arguably China's most powerful—and most unconventional—internet firm. We were brash, by design. We cultivated a persona that was decidedly different from other Chinese companies. We thought in terms of giant leaps, not increments. We weren't a monolithic, faceless corporate entity but a highly visible organization with a large personality cast

in the image of our highly creative founder, Jack Ma. By this time, much had changed since that first day I had to step over a mound of smelly shoes just to knock on that Lakeside Gardens apartment door, the humble abode that served as Alibaba's first office location. Gone were the anxious nights I had spent lying awake in my apartment, wondering if I'd made a terrible mistake by turning away from a once promising career, leaving behind my ambitions to become a doctor, a business consultant, or a public servant and joining this untested start-up. Alibaba was no longer untested: in fact, it had been tested many times, teetering on the edge of bankruptcy, and at each turn had proven itself a capable, even essential Chinese tech company. It had been a long road getting to that point.

THE FOURTH INDUSTRIAL REVOLUTION

To put the events of that period into context, it helps to zoom out and identify what was happening on a more macro level both within China but also along the continuum of industrial change. China's digital transformation and the explosive expansion of the innovative digital economy are products of what historians describe as a fourth industrial revolution. In some ways, Alibaba benefited from China having been passed over for several centuries by the rise of the industrial West. Starting in the 1980s, it was playing a frantic game of catch-up, struggling to



build the infrastructure and commercial spirit needed to drive the development of a modern economy. There were limited legacy systems or legacy constituencies standing in the way of the adoption of digital innovations. Historians describe global economic development as having gone through a series of industrial revolutions, each led by technological innovations and new business opportunities. The first shift marked the initial transition from agrarian societies into ones led by industrial production and new infrastructure. Starting in the 18th century, railroads and steam and hydro power ushered in mechanized production and factories.

Electrification led the second revolution. Electric power enabled more rapid and more reliable mechanization in the form of assembly lines and mass production, creating divisions of labor and greater efficiencies. The invention of computers was the catalyst for the third step, automating production and enterprise management. At the end of the 1960s, computers were first linked, paving the way for the creation of networks—the internet. As computing power grew rapidly, economics, corporate life, and even social life were transformed. The digital economy was taking over.

Klaus Schwab, founder of the World Economic Forum, explained the next step in this historic process, the “fourth industrial revolution.” He described a new digital revolution built on the pillars of the third, “characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.”

The core building blocks of this revolution—computer hardware, software, and networks—have been around for decades, but they are now spurring the development of innovative applications that are impacting every aspect of how we conduct business, govern, and engage in all sorts of personal and

commercial relationships and even our personal identities. Erik Brynjolfsson and Andrew McAfee, two MIT professors, have christened this “the second machine age,” while others have adopted the term Industry 4.0.

For years, Jack Ma has described the changes as data technology, or DT, a progression of the information technology (IT) wave that helped launch this new era of the digital economy. The initial IT methods were proprietary: data was generated and analyzed within closed systems. DT supports a different approach to technology in which access to data is open and its use can be applied to help other collaborators and partners. Through these features, the DT revolution is creating entirely new types of businesses, from everyday commerce to biotechnology, renewables to robotics, gene sequencing to quantum computing.

One important difference between the third and fourth industrial revolutions is the vast scale of adoption and the velocity of innovation. As Schwab observed, the cloth-weaving machine spindle—the first industrial revolution’s hallmark invention—needed more than a century to make its way through and then beyond Europe. The internet, the key innovation behind the fourth industrial revolution, wrapped around the world in less than a decade. As networks all over the globe expand, vast streams of data are bringing about unprecedented levels of connectivity and fresh applications.

There is no better example of the fourth industrial revolution—both its progress and its promise—than Alibaba. From that small team in Jack’s apartment 20-plus years ago, the company now has more than 200,000 employees and hundreds of billions in market value. Its family of websites and platforms, the Alibaba ecosystem, supports more than 10 million merchants, helped create 54 million jobs, and continues a climb beyond 1 billion active users.



THE CHINA JACK MA FOUND AND CHANGED

Jack Ma was an unusual pioneer in this revolution. He's not a technologist, a coder, an engineer, or even a business school graduate. He runs largely on intuition, and he has an uncanny ability to understand people and their yearnings, a knack for understanding what people need and want. And he has a strong moral compass that points him toward wanting to support societal change and economic inclusiveness. Those may not sound like the best digital credentials, but, as I will explain, his story makes clear why they have made all the difference.

His journey, well documented elsewhere, began with an unexpected adventure during his first visit to the United States in 1994 on business. Because of his facility with English, he had been hired to assist a Chinese state-owned enterprise collect a debt in California from the company's business partner. While in the United States, knowing very few people there, he went to Seattle to visit a friend's family, and by chance the son-in-law of the friend introduced Jack to this new phenomenon, the internet.

It was Jack's very first online experience. He was entranced and was initially afraid to even touch the keyboard, he recalls, fearing he might break it. He was persuaded it was OK and was urged to use the search browser to look something up, so Jack thought for a moment and then typed in "beer" and "China," seeing what Chinese brands would pop up. The search engine responded with nothing, not even the export brand Tsingtao, a telling moment. Rather than being frustrated or disappointed,

Jack said he was inspired. It suggested an opening. He resolved that this tool was exactly what the Chinese economy, then rapidly expanding under a government reform program, needed to accelerate its progress and make its products better known beyond its borders.

He had a sense of the potential of the internet for opening markets for China's burgeoning classes of small and medium-sized enterprises (SMEs). When he returned home, he created his first venture, the China Pages, a mere listing service for Chinese manufacturers to display their specialties for business customers. Styled after the thick Yellow Pages phone book, Jack's venture aimed to be an online directory listing the companies in China interested in expanding their markets, domestically and overseas.

It was a sound idea, prescient, but so few used the internet in China—or even knew what it was—that the venture struggled. In 1995, less than 0.1% of China's population was online. Strapped for cash, Jack eventually signed a joint venture deal with state-backed Hangzhou Tele-com to sustain the business, but he soon found that he had lost control over decision-making. By the fall of 1997, drained by the challenges, he gave up his stake and walked away.

Less than two years later, Jack was ready to try again. He had secured a ministry job in Beijing focused on developing e-commerce but found the layers of bureaucracy stifling, so he again took a look at establishing his own company. Convinced that private enterprise would lead China's e-commerce

“Alibaba was different from conception. Instead of repurposing a Western model for the Chinese market, its goal was to create a new type of online wholesale marketplace from scratch.”



revolution, he quit his government position and created a new company that helped small businesses connect with the world.

In February 1999, he assembled 17 close friends and former colleagues and students inside his Lakeside Gardens apartment in Hangzhou and launched Alibaba.com. Jack was never one to set modest goals. “Our competitors are not in China,” Jack said at the company’s first all-staff meeting. “[They are] in America’s Silicon Valley.”

China then was still a primarily agricultural society with the majority of people living in the countryside, working on the land. In 1999, the average per capita income was about \$800, and there were only 8.8 million internet users in the entire country. I remember my first night in Hangzhou, riding a taxi to my company apartment. The city had at one time been known for its scenery but the years had taken a toll. That first winter in Hangzhou tested my spirits and endurance. The numbing cold easily overpowered the scattered space heaters in our office, and many of us wore gloves at our desks even as we typed. Beyond the physical discomforts, we confronted the reality that the world Jack imagined was a far cry from the one that we had to work with in the China of 1999. There was no retail e-commerce, no online payments system, and no private logistics services to speak of. But it wasn’t only the internet infrastructure that was primitive, many aspects of the commercial infrastructure were also underdeveloped. Even shopping malls and credit cards, basic building blocks of commerce in the United States, hardly existed. In the 20 years after the first Chinese credit card was introduced, only 33 million cards had been issued—a fraction of 1% of the population. This paled in comparison to the United States around the same time, where more than half of Americans were credit card holders.

Living in Hangzhou, I found that very few vendors would accept my international credit card, and I was never able to locate a working ATM. The closest internationally linked ATM was in Shanghai, a three-hour train ride away. When it came to

consumer goods, even the most commonplace items in America were nearly impossible to find. After wearing through my sneakers, I had to check four different stores just to locate a pair of decent Nikes. Tracking down some Quaker Oats oatmeal, a necessity for any good Californian on the road, proved even harder.

I sometimes had to remind myself that I was working at a technology company. The flashy new breakthroughs from Silicon Valley, the excitement and exuberance of that era, seemed to occupy a different universe from the one I inhabited. At the time, the indisputable darlings of the Chinese internet sector were the country’s homegrown search portals—Sina, Sohu, and NetEase—all of them located in China’s first-tier cities like Beijing or Shanghai.

Alibaba was different from conception. Instead of repurposing a Western model for the Chinese market, its goal was to create a new type of online wholesale marketplace from scratch, aimed at letting Chinese SMEs connect with one another and with new customers. This business required an understanding of how to engage and assist a class of older, more traditional business owners, an entirely different demographic from young, urban netizens. Jack intuitively understood the constraints on smaller enterprises but also China’s economic potential and the unique ability of the internet to overcome the barriers.

“It wouldn’t matter even if I fail,” he once said. “At least I’ve introduced the concept to others. If I don’t make it, someone else will.” [AQ](#)

Brian A. Wong is an American internet executive, entrepreneur and angel investor currently serving as vice president of Global Initiatives at Alibaba Group and a member of the Alibaba Academic Committee. He is also the founder and chairman of RADII Media.

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