

An aerial photograph of a boat's wake in teal water, with the text overlaid in a white-bordered box.

— TURNAROUND — PLAYBOOK

How to Foster Your Company Culture
Through Disruptive Change

Celia  SWANSON

Imagine you have just accepted one of the largest roles of your career, and the first thing you're asked to do is cut 20 percent of the staff.



A LEADER'S GUIDE FOR TACKLING DISRUPTIVE CHANGE

That's exactly what happened when I was asked to lead the Talent Development Department for Walmart US. It was a remarkable, yet frightening responsibility that required careful, strategic action.

When dealing with the uncertainty of a turnaround, it's imperative that you have a clear and inspiring vision for your organization that enables all to be a part of it. Doing so will allow you to tackle the transformation head on and create long-term sustainability.

Even the best companies have to navigate disruptive change. Netflix, Dell, Starbucks and Apple are all well-known turnaround veterans with some of the most inspiring success stories to date.

This playbook serves as a guide for navigating a turnaround in your organization and will teach you how to strengthen the core of your team and overcome some of your toughest employee engagement challenges. It's based on my experience leading the turnaround of the Talent Development Department at Walmart US, as well as the overall transformation of the Walmart US Division.

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HOW YOU GOT HERE

The first step in implementing a successful turnaround is to understand your organization's weak spots. You have to face the harsh realities that are causing failures and evaluate where to go from there. In Talent Development, we were tasked with implementing a 20 percent layoff of talent for one of the company's most critical functions.

To do it successfully, we had to ask the hard questions:

- **What does the company need?**
- **How are we perceived?**
- **Are we serving our customers well?**
- **What's the ultimate vision for the company and how do we fit in?**

By asking these questions and accurately assessing your organization's current state, you can see what's really beneath the surface and lean into the points of vulnerability.

You may find one or more of the following red flags:

- **Ongoing profit loss**
- **Negative customer feedback**
- **Low-performing team**
- **Ineffective strategies**
- **Poor market share**
- **High employee attrition**
- **Toxic workplace culture**
- **Poor products or services**

Once you identify the red flags, you have to be bold enough to openly address the tough issues and have the hard conversations that are necessary for success. It's critical not to shy away from this essential step so that you can set the right expectations at the beginning of the process. Otherwise, you risk having to continually plow new ground and make your case for change within your team.



CAST A PURPOSE-DRIVEN VISION

Spend time developing a vision that connects to the company’s purpose for your team. This will require buy-in throughout various levels of your organization.

Identify the critical decision makers within your organization and ask them to share their real frustrations about your business and its core functions. You’ll find this process will shed light on issues you might not have considered otherwise.

Then engage them in developing a vision for the future and begin to build positive momentum that will encourage feelings of purpose and meaning. Creating a common vision and a sense of camaraderie inspires employees to engage and will drive powerful results.

Our Talent Development leadership team created a visual image that listed three things we were going to do extremely well. It was a tangible reference that we hung on the walls, and we referenced it throughout the transformation journey as we kept people informed. It also allowed us to constantly envision what the end result looked like and where we were in the process.

What are the three things we are going to do extremely well as a company?

Three empty rectangular boxes stacked vertically, intended for listing the three things the company is going to do extremely well at.

TIPS FOR DRIVING EFFECTIVE COMMUNICATION DURING A TURNAROUND:

- Hold frequent all-hands meetings to communicate the steps toward your vision
- Pull people from all departments and functions into the team to help with the development of the vision
- Prepare talking points and frequent updates that can be cascaded by team leaders and shared throughout the process



ASSESS YOUR TALENT

The ultimate key to turnaround success is having the right talent. Jim Collins, in his book *Good to Great*, encourages readers to start with 'First Who, Then What':

The executives who ignited the transformation from good to great did not first figure out where to drive the bus and then get people to take it there. No, they first got the right people on the bus (and the wrong people off the bus) and then figured out where to drive it. They said, in essence, "Look, I don't really know where we should take this bus. But I know this much: If we get the right people on the bus, the right people in the right seats, and the wrong people off the bus, then we'll figure out how to take it someplace great."

Assessing the talent within your organization is an important first step before hiring from the outside. Conduct a formal assessment of your existing employee pool, identify talent gaps and find those who can ignite your vision.

A typical mistake made by organizations is to quickly hire outside talent that isn't familiar with the ins and outs of the company. This can be a recipe for a disruptive workplace culture and eliminates opportunities to identify superstars within your company.

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ENGAGE YOUR TEAM

You can talk about your mission and vision, but if you never bring it to life for your team, you're going to miss the mark and the opportunity to inspire each member. When you empower your team members and make it possible for them to have pride in their ideas, you ignite an unstoppable sense of purpose within each employee. Non-financial motivators like this are proven to be effective in restructuring and improving the health of your organization.

In order to fully engage an employee, you must cultivate three things: their heart, their mind and their respect.

CULTIVATE THE HEART

Demonstrate that you care about your team member as an individual. It matters to them that you value their contribution, and it's important that you recognize and celebrate them. Be sure to nurture your team member's sense of achievement so that it multiplies and becomes organic, replicating in larger ways.

CULTIVATE THE MIND

This begins with asking, not telling. When you actively encourage your team to come up with ideas and creative solutions, you inspire innovation. You'll get your team's best thinking around the biggest challenges your organization faces and ultimately grow your business. This will require you to invest time with your team and be very clear with them about the challenges and the vision you have. It will also require you to become a good listener.

CULTIVATE RESPECT

If you take care of people at every level of the organization, they will have your back and be open with you about what really goes on behind the scenes. This includes the administrative staff, the coordinators, the payroll keepers, security guards and receptionists. They will teach you the real culture of the organization and share valuable insight with you.

This kind of cultivation isn't just something you walk through the door and achieve. It takes time to develop. Ultimately, it will build confidence in you as a leader, camaraderie, and a powerful sense of 'we'. More importantly, you will instill the kind of people-first, values-driven leadership upon which some of the greatest companies have been founded.

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CAST A PURPOSE-DRIVEN VISION

Achieving success as you manage the uncertainty of a turnaround boils down to how effectively you communicate and how quickly you can get to the root of the problem. When you are clear, succinct, and logical, people feel more grounded and have greater trust in your vision. You want to ensure you communicate:

- **Why the turnaround is taking place**
- **The approach you will take for implementing change**
- **The overall process that will be followed**

I remember sitting down with my team of directors and senior directors at Walmart and spending hours and hours honing in on these points. It was so important for us to get clarity around where we were headed, why we were going in that direction, and why we were going through the turnaround process.

We then held 'ad hoc' all-hands meetings to discuss topics and concerns related to the turnaround.

If we didn't know the answer to an employee's question, we would make every effort to get the answer to them shortly after so there was no gap in communication.

Transparency is key, and as a leader, you have to be okay with feeling vulnerable and not having every 'i' dotted or 't' crossed. Otherwise, you risk losing employee trust or coming across as unrelatable. Transparency also helps create a culture that is motivating and inspiring to those who have been part of the company for a long time. It encourages them to seek answers and solutions from within the organization, and not outside it.

I will close by stressing the importance of speed during implementation. Once you begin implementing changes that are disruptive and impact people's lives, get on with it. Do not drag out the process; it simply creates fear and paralyzation of the team. And when the people impacts phase is finished, declare it! This allows your team to take a breath, assess the new situation and accept that they are part of something greater than themselves.

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Celia Swanson is a senior executive leader who spent 25+ years at the world's largest retailer championing its culture and its people. She is notably recognized as the first female executive vice president at Walmart Inc. breaking the glass ceiling for many women to follow.

In addition to her professional career, Celia is known for her community leadership in Northwest Arkansas. She was selected by the Northwest Arkansas business community as the 2016 Athena Woman of the Year for her excellence in community service, board leadership and regional impact in Northwest Arkansas.

Celia's contributions were recognized by receiving the top two operations awards from Sam's Club and Walmart US. Her deep expertise in retail, large-scale transformation, company culture and multigenerational workforce engagement serves as the cornerstone of her career legacy.

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