

GAP ANALYSIS: INTERSECT INVESTMENTS

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TRENT RHODES

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Intersect Investment is a company plagued with great potential opportunities and greater potential disasters. In response to new statistics which demonstrate customers want to become affiliated with more trusted and skilled advisors, CEO Frank Jeffers presented the need for organizational change; the new “trusted advisor” model would reshape the way Intersect Investment conducted business with clients and customers. In possession of a Type A Personality, Frank Jeffers foresaw the potential for radical change and began taking swift action to make it a reality. This action started with the firing of the EVP and replacing him with Janet Angelo. With her past success at securing organizational change, Janet took the mantle of this position, unaware of the issues and opportunities present.

The author’s research into the Intersect Investment scenario revealed the issues and opportunities facing the company, as well as the motivations and expectations of the current stakeholders. Because the scenario was not officially complete, the author was able to gauge potential scenarios based on the information provided.

Situation Analysis

Issue and Opportunity Identification

An initial challenge Janet and the organization face is the CEO's temperament. An organizational change of such magnitude is expected to be successfully implemented in 12 months, whereas the process took Janet over 2 years to complete in her past positions. This rush to success influences her behavior as well as employees at the sales floor. Before the "trusted advisor" concept, the author presumes Frank's fast-success philosophy touched the mindsets of sales employees, who now work under managers emphasizing hard-sell tactics. Characterized by a strong complex to creation action out of emotions, Frank's leadership style may cause damage to the total organizational structure by pushing too hard, too hastily. An organization in a state of change possesses fragility; employees are uncertain what the future will look like, uncertain if they will retain their jobs along the way, and uncertain how their previously taught skills will blend with new skills and training. Opportunity exists for Frank to begin developing his leadership style from command-and-control to a more participative style. As communication becomes a more valuable component of organizational success, employees will desire to be included in the change process, understand why they have certain tasks, and why they are valued as human resources.

A second issue in development is the elimination of behaviors and attitudes. Intersect Investment has been in business for several years, becoming successful taking a particular selling approach for business clients and customers who seek financial health. Employees have been trained on specific techniques for selling financial products, and the organizational culture solidified. In the critical period of change, Frank Jeffers supports an extinction of these attitudes and actions by means of firing employees. Janet Angelo explains her difficulty with some of the

employees and the retention of their former selling approaches. Jeffers encourages this firing to set an example for others who decide to oppose. The result of terminating employees to make a point could lead towards an increase in turnover and lowered employee organizational commitment. Opportunity exists here for Janet, who disagrees with Jeffers on this approach, to demonstrate the value of empathic communication, utilizing data and motivational speech to open employee minds to the new values.

Prior to Janet coming on board to Intersect Investment, the company experienced increased turnover and lowered satisfaction from customers, simultaneously. Janet realized internal forces were at work and discovered this was due to the lack of information flow, confusion of customer approaches and an overall belief that management did not value employee contributions. This issue is one of the most potent due to the effect it has on employees. Turnover represents the strength or weakness of organizational commitment. Intersect Investment's 25% turnover rate demonstrates the urgency for change at this level. With this issue being visible, Janet can take advantage of this opportunity to strengthen employee commitment. She will have to use statistics, powerful speech as well as the personal letter written by business client Sy Miguel to show what the customers authentically want, and why the employees are needed to accomplish it.

During the period of organizational change, having all members understand and accept the same vision is paramount. The opposite exists at Intersect Investment, and Janet perceives the separation among employees and departments. These subtle antagonisms weaken the organizational glue necessary to successfully transition. Janet finds it difficult to insert her expertise when there is inter-organization conflict. An opportunity exists for her to implement a community of practice, which would provide a forum-based approach, linking all employees in a

medium of communication. Maintained by mediators, this approach would provide opportunities for employees to express their perspectives without flagrance. Departments would learn to understand the business from each other's perspectives.

Lastly, the general meeting opened Janet to the understanding that employees noticed changes in the organization, and were dissatisfied not being fully informed. Employee Jane Nester expressed how she understood what to do based on her training, but was never informed why her training changed. These subtleties encouraged employees to talk among themselves, spawn rumors and find reasons to further decrease their job satisfaction. This high equity sensitivity alerted Janet to the hazards of challenging them directly and seeking a more communicative method to reach them.

Stakeholder Perspectives/Ethical Dilemmas

Several stakeholders carry significance while organizational change at Intersect Investment takes place. Employees have a great stake in the process. Not fully understanding the details of the change and how their role will be used, sales consultants feel their right to know the purposes are not being fulfilled. They express understanding in the actual changes, but lack the clarity of the reasons for those changes. As human resources who attract and secure business for the company, the sales employees value their own hard work and seek appropriate compensation. They also have an interest in owning a voice and participating in the organization's change.

Customers make the second component of the business relationship and consequently have a powerful impact on whether Intersect Investment exists or perishes. Their interests remain with trusting their financial health with advisors they can trust. As customers who sign a number of contracts, obligating not only them to agreements but advisors as well, they are entitled to receive proper and high-quality customer service.

Senior leadership is also a collective stakeholder in the company. Including the most senior executives at Intersect Investment, their goal includes a radical shift in the perception of the company's sellers of financial products. The interest is in transforming mere salespeople into "trusted advisors." Despite disagreement among the ranks, the organization is committed to this change, and management may make drastic employment decisions in order to accomplish it. Simultaneously, management has a responsibility to its employees who function as the source of attracting new and existing business; that responsibility includes treating employees justly and without discrimination.

End-State Vision

Through rigorous and innovative skill development, Intersect Investment will transform its current base of salespeople into trusted advisors who establish strong, value-enhanced advisor-client relations by maintaining long-term relationships and maximizing above-average returns in those relationships.

Gap Analysis

In order for Intersect Investment to achieve its desired end-state vision, mid-way implementations must take place to create a path for achievement. Communication throughout the organization must be readily available and accepted; a form of community of practice will enable employees at various levels to communicate ideas and settle errors in job perceptions. The command-and-control style of leadership must be replaced because the employees at the company are equity sensitive; they want to know the details of change, what they need to do and the reasoning behind the change. Employees are also sensitive to communication and appear to sense when they are devalued. An empathic style of communication and leadership is warranted, where members of the organization are led by an understanding leader who can relate to their current situations, accurately evaluate their needs and efficiently take action on those needs.

The complete organization must be in alignment before a major change can successfully take place. The foundation of Intersect Investment rests on its attitudes about the strategic vision, which is undergoing change. Uprooting that vision without cohesiveness can cause irreversible damage.

Conclusion

As Intersect Investment prepared to undergo a dramatic shift in the way it engages business, internal challenges presented themselves to the new EVP of Sales and Marketing, Janet Angelo. As the focal character in the scenario, the reader was taken along her investigation to further understand her position and the challenges she would have to conquer. After her assessment and consistent command from CEO Frank Jeffers to accomplish the goal in 12 months by any means, Janet now has to initiate her plan with expectations of success.

References

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Table 1

Issue and Opportunity Identification

Issue	Opportunity	Reference to Specific Course Concept (Include citation)	Concept
<p>CEO Frank Jeffers exhibits behavior reminiscent of the Type A Behavior Pattern. While his reputation for efficiency precedes him, Frank’s mode of action expectations he places upon his senior leadership team at a time Intersect Investment is most vulnerable. The organizational change Frank perceives the company taking has made the employees and the environment fragile. His style of dishing out commands and expectations of results at the fastest possible time may inhibit the company’s ability to successfully change. Pressure from Jeffers is demonstrated by his repeated “efficiency talks” with Janet Angelo, EVP of Marketing and Sales.</p>	<p>Frank’s past performance validates the success of his leadership, but his style of leadership currently has little effectiveness due to the organization’s unstable period as it goes through change. He can utilize this opportunity to expand his communication style, applying a soft-skill approach that is more empathic.</p>	<p>“An action-emotion complex that can be observed in any person who is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and if required to do so, against the opposing efforts of other things or persons” (Kreitner, Kinicki, 2003, p.698).</p>	<p>Type A Behavior Pattern</p>
<p>During the employee meeting, Jane and Joel opened the floor to questions and suggestions. Much of this feedback related to the dissatisfaction with how the information about organizational change was disseminated. Not everyone was aware of the change, especially the financial products which directly affect how sales</p>	<p>Jane can capitalize on this opportunity to provide more empathic communication with the consultants. Lyn Chen’s opposition to</p>	<p>“Reflects an individual’s different preferences for, tolerances for, and reactions to the level of equity associated with any given situation” (Kreitner, Kinicki,</p>	<p>Equity Sensitivity</p>

<p>consultants engage with potential and existing customers. The pattern of expressed distress demonstrated heightened equity sensitivity.</p>	<p>the new customer intimacy model also provides an opening to show that she is a trusted leader, capable of being a voice for employees and understanding their needs.</p>	<p>2003, p. 293). “Entitleds have no tolerance for negative inequity” (Kreitner, Kinicki, 2003, p. 293).</p>	
<p>A lack of cohesiveness exists at the employee, management and senior leadership levels. As Jane Angelo begins her 12-month implementation, she notices the dissent among many of the employees at Intersect Investment. The President of Sales disagrees with the change in how sales works with customers and this poses a strong challenge against Janet accomplishing the goal she was hired to reach.</p>	<p>Jane’s opportunity here is twofold: by accomplishing the goal of her 12-month implementation, she would indirectly solidify the company’s work environment. In order for her work to be successful, it will be necessary for all members of the organization to work together towards the same vision. Jane’s goal inevitably accomplishes this goal. Utilize community of practice.</p>	<p>“A sense of togetherness that develops when group members are mutually dependent on one another because they believe they could not achieve the group’s goal by acting separately. A feeling of ‘we-ness’ is instrumental in achieving the common goal” (Kreitner, Kinicki, 2003, p. 459).</p>	<p>Instrumental Cohesiveness</p>

<p>Employee turnover in the sales department reached 25%, while customer satisfaction decreased 10%. Employees are leaving at the same time the enjoyment and trust of customers is lowering, which makes a mix for disaster. Despite these data, Lyn Chen remains vigilant in keeping to her current strategy, which includes faster sales, higher call volume, and less time with customers on the phone. Employees feel conflicted due to the new customer intimacy and the current fast-sell approach.</p>	<p>An opportunity exists for Jane Angelo to utilize the data. Because resistance is at the attitudinal level, she can present these data to the rest of the company to demonstrate the need for a change in selling technique and purpose for doing so.</p>	<p>“These forces may be subtle, such as low job satisfaction, or can manifest in outward signs, such as low productivity and conflict. Internal forces for change come from both human resource problems and managerial behavior/decisions” (Kreitner, Kinicki, 2003, p. 675).</p>	<p>Internal Forces of Change</p>
<p>CEO Frank Jeffers advises Janet to utilize a sacrifice approach to make her point about changing to the new vision. He encourages her to fire a few employees to set an example; the belief Frank pushes is by letting go of “resistors,” the old behaviors and approaches will be destroyed, and the existing employees will succumb to this subtle threat.</p>	<p>Janet can demonstrate the need for an empathic communication approach by not firing employees to encourage change, but use her skill at showing the value of the change to all employees.</p>	<p>“Like a plant without water, a behavior without occasional reinforcement eventually dies. Although very different processes, both punishment and extinction have the same weakening effect on behavior” (Kreitner, Kinicki, 2003, p. 348).</p>	<p>Extinction</p>

Table 2

Stakeholder Perspectives

Stakeholder Perspectives	
Stakeholder Groups	The Interests, Rights, and Values of Each Group
Employees	Job Satisfaction; establishing relationships with customers; higher earning potential; wanting to understand the vision and strategy of the company; value being kept informed of changes in the organization
Customers	Exceptional customer service; developed capacity to trust the advisors they work with; value long-term financial security; want to make the best decisions for their financial futures
Senior Leadership	Responsibility to the mission of strategic change; enforcing the proper mechanisms to ensure all employees adopt new vision; to effectively train employees on new products; capacity to remove those who oppose the new vision

Table 3

End State Goals

End-State Goals
Successfully transform salespeople into “Trusted Advisors”
Increase job satisfaction and lower employee turnover
Maximize advisor-client relations by establishing long-term relationships