Walk the Talk

Radio for Agile Minds

Shelley	It's that time of the month when we "Walk the Talk" and welcome Nick Anderson to the studio to help us check out if we do actually "Walk our own Talk"
	Nick is Senior Partner for Professional Development Services – long time contributor to WGVU
	During many consulting engagements Nick and his colleagues identified that organizational misalignment as a major factor in organizations and individuals were not achieving goals
	This changed their focus to ground their work by aligning people's expectations first before designing learning, coaching and other work. Over the last 10years, Nick and the PDS team developed their expertise and alignment practice with AlEx™ by serving companies in Canada and the US.
	Each month Nick chooses a topic related to the business world in West Michigan focusing on the

	transitions this economy is going through
	Welcome….What has you chosen for us this month?
Nick	Over the years we have learnt that anticipating and managing misalignment goes to the root of building successful change whether it's a family business transitioning between generations, construction projects with many different companies involved or implementing electronic patient records.
	Today I want to cover the second in a three part series on ***Managing Alignment Challenges*** to improve the odds of bringing successful change to the listeners' organizations.
	Last month we covered, Managing Conflict and Relationship Tension. This month I will cover…
	2. Managing Complexity and then next month
	3. Improving Performance
	I chose the second as the need for change can seem deceptively clear yet being comfortable with complexity is something people want to avoid. Somehow "complexity" has become associated with ineffectiveness, something to be avoided.
Shelley	Why is this so important as we climb out of this recession?
NICK	It's a good question…over the last 15 years the odds of making a successful change in North America haven't changed appreciably. Two thirds of change initiatives

	fail, including family businesses trying to pass on their company to the next generation. Just consider this, in a KPMG (2002) survey of 134 public companies.
	
	  ➢ 56% per cent of Companies wrote off at least one IT project in the last year,
	  ➢ Average cost of US$12.5M, while the highest loss was placed at US$210 million.
	  ➢ US$1.7 billion for this group alone.
	  ➢ 67% said their Program management was "in need of improvement or immature"
	  ➢ 44% rated project performance against any established measures.
	
	In other words unless we must become better students of not only what to change ***but how to change*** the climb out your referred to will be longer and more painful

SHELLEY	In an earlier program on to hire or rehire people as companies recover prompts me to ask: How are the employees affected by such failures?

	Jaundiced and post recession employees reveal they expect far more than the status quo, which could have significant implications on company bottom lines, employee morale and turnover. In Q3 2009 Glassdoor.com conducted their Employment Confidence Survey of 1,195 employees conducted by Harris Interactive®.
	
	  ➢ 57% expect a raise, bonus and/or promotion
	  ➢ 35% expect hiring freeze to be lifted and/or more employees to be hired in
	  ➢ their department

	➤ 24% expect health benefits and perks that were previously reduced to be restored ➤ 19% expect to look for a new job
Shelley	These factors don't sound like change isn't getting any simpler. How do you see it affecting leaders managing change and this increasing complexity?
NICK	Martha Maznevski and her colleagues at IMD put it like this. *"Complexity" is today often considered the latest business buzzword – it reflects a current common reality but not a lasting one. Executives say, "Yes, complexity is the real leadership challenge that I face. How can I focus on my area when everything else is connected? How can I be held accountable when everything is interdependent? How can I sort this out? It's overwhelming." Good questions with few answers. We think "complexity" is much more than a buzzword, but a reality that is here to stay.* How leaders react to this inevitability is curious. Many see their world as complex so their organization should be complex. But, the key is to focus on what to simplify. Central to this is your purpose and values; core processes and decentralization; early awareness systems; and leadership. Once these are clear and consistent, managers in different areas of the company can respond to complexity according to their own needs and realities. Here are some examples of complexity issues leaders' face… "Our management structure and style gets in the way

when dealing with complex and changing business environments."

This is often not so much one of structure but style. The key lies in effective delegation. Delegating task and responsibility, i.e. Enabling others to do a job for you while ensuring that:

- They know what you want
- They have the authority to achieve it
- They know how to do it.

By communicating clearly:

- The nature of the task
- The extent of their discretion
- The sources of relevant information and knowledge.

Each task delegated should have enough complexity to stretch - but only a little by including:

- Agreeing criteria and standards by which the outcome will be judged.
- Agreeing first how often and when information is needed to monitor progress
- Avoiding making decisions for the delegate when they are capable
- Not making a decision unless provided with clear alternatives, their pros and cons, and the individual's recommendation.
- Not judging the outcome by what you would do, but rather by its fitness for purpose.

	Delegating the task **and** its ownership so that it can be changed or upgraded, if needed. So, you are managing complexity at the coal face rather trying to do everything back in the office on the surface.
Shelley	How do you then get an organization's purpose across to people?
NICK	Second point is Creating Momentum for change by leaders modeling what it means to be, say, the **Customer's Choice**. Including: - Defining what value you want to give customers - Challenging the status quo - Probing and testing teams' understanding of the change in hand - Aligning people's expectations and actions with corporate goals and *"The Vision"* - Persevering when *"the going gets tough"* - Making decisive, courageous and consistent decisions - Motivating others to reach higher goals - Encouraging others to effectively manage risk - Communicating verbally up, down and across the organization – not just e-mail or presentations Most importantly soliciting feedback on actions taken
Shelley	What other ways should leaders be mindful of in getting decisions taken earlier and at lower levels in

	their companies?
Nick	After delegation and momentum it has to be teamwork where the weight of complexity can be shared. Specifically, building and growing teams that delivers customer and stakeholder value by: • Identifying key stakeholders to lead partnering activities, e.g. suppliers, subcontractors, branch offices • Sharing common strategies and building solutions with customers and other functions within the spirit of *"we are in this together"* • Focusing team effort on delivering value for both customers and other stakeholders • Making and delivering on commitments • Supporting and implementing team decisions • Resolving conflicting positions *inside* the team • Engaging others to improve solutions and decisions. • Developing external alliances to develop new and innovative solutions
Shelley	It sounds like you are encouraging leaders to develop trust in their people to do the right thing, but to many that is going to seem risky especially if they have tried before and they have had to take back control
Nick	It's an astute point. It's down to leaders actively cultivating a climate to anticipate mistakes through praise for prompt action in dealing with the errors and

avoiding risk. The last thing to do is to "reward the inactive and hang the innocents" – The Blame Game.

It's crucial that Risk Managing and Planning are yoked together, back to an earlier program when I mentioned Clauswitz and Contingency Theory. This includes:

- Scheduling, anticipating and alerting to avoid risk situations.
- Reviewing plans from a risk perspective
- Praising people for coming up with solutions
- Ensuring every plan is reviewed from both the risks to subcontractors, suppliers ("respected friends") as well as Customer's perspective.
- Developing options and contingencies with costed options at each project milestone
- Engaging all appropriate stakeholders in a timely manner to get multiple perspectives on how the schedule is developed
- Creating rapid feedback to alert when a task is delayed or accelerated

Shelley	How would you sum up managing complexity?
Nick	Effective Delegation, Building Momentum, Developing Teams and linking Planning to Risk Management lie at the heart of navigating complex situations, but above all Leadership cannot be repetitive, but should be predictable. Permanent communication is therefore **the** leadership survival tool in complex organizations, but much more in terms of "storytelling", interpreting context and meaning, and investing in relationships than in transferring dry facts or ultimatums.

Shelley	Well, I am looking forward to the next program on Improving Performance. Time for Tip of the Month
Nick	In times of change don't sit in your office and brood. Engage and listen to those around you in how to make change happen effectively
Shelley	Contact details
Nick	Blog – pdsgroup.wordpress.com – WTT – A blog for agile minds