

Escape the Rat Race

The most
difficult leadership
challenge

Ongoing changes are an everlasting state for most organizations. The outside pressures – such as increasing economical demands, customer needs and requirements, global competition and technical developments – force companies to either adapt or react to these pressures by continuously developing their own activities. Because there is no place to hide.



Encourage improvement

Typically organizations meet these pressures with faster service and product development, recurring cost reduction programs, reorganizations, investments in IT technology as well as by mergers and acquisitions. This is what we define as »change«, often experienced as continuous and chaotic. Most of us – managers in particular – feel that there is no escape from this rat race.

Even if the business situation is as described, not many leaders invest in the organization's capability or culture to manage improvements. Those who choose to make the effort encounter massive difficulties, very slow development and resistance. However, some organizations, like Toyota, have succeeded in managing improvements, experiencing unparalleled profit and growth in a very competitive environment. We may call this continuous improvement, innovation management, Lean, Six Sigma, Total Quality Management, Business Process Management or a learning organization. All of these management concepts have one thing in common: they turn improvement and innovation into a common practice within the organization. Improvement is the key to managerial efficiency. And for most organizations, this is a major cultural shift.

The only sustainable competitive advantage is to learn and improve faster than your competitors. Consider culture as a strategic asset: What kind of strate-

gic change program is needed to accomplish such a cultural shift? How to achieve a culture where people are looking for improvements in all their efforts? The game does certainly differ from any cost reduction or reorganization program.

Create an energizing vision

The starting point is to create an energizing vision. The vision is not just a statement of the current situation and an attempt to describe future. It should rather be about a new approach to understanding management and creating value. This does not mean that managers only ask their employees to adopt a brand new attitude but they have to start with themselves.

The cultural shift is launched with an education program, where managers learn and share new ideas. This program implements effective, participative and innovative working methods to create an inspiring atmosphere, and also to touch the emotional side of people. Creating and discussing the vision helps to understand the need and the urgency of change.

Design the new architecture

The second step is to organize development. People responsible for the change program need to be nominated and trained. Their most important task is to design a new architecture that supports the new way to ►

manage and improve the value creation. The new construct should consist of language, models, roles and rhythm. Different management concepts use different models and ways to tackle improvement. For example, lean uses the key concept of »waste«. People are trained to understand, observe and reduce waste.

Characteristically the new management philosophy requires new roles in the organization. For example, if we planned to invest in Business Process Management, we would need to nominate »process owners« to improve the processes. If we are thinking Six Sigma, a new role »Six Sigma Champion« is required in order to run the improvement projects. In traditional organizations, these new roles are usually taken over by line managers, although they often do not know how to improve. Therefore, it is essential that the nominees are well-chosen and -trained.

Plan the road map

The next step is to plan the change program and projects. The cultural shift change program is a learning process. Culture cannot be copied. Nobody can predict the outcome at the beginning of the journey. The whole change program is more like a new way of life rather than a project, which typically proceeds from one state to another. It will never end, learning and improving will continue indefinitely. Of course, as the maturity evolves people do different things at different maturity levels. Thus, try to think about the program as a road map and about the projects as next steps.

Establish communication and engagement

A cultural shift requires a new mindset, a brand new attitude and behavior. The key issue is to understand who the stakeholders are. They may be the board-members, customers, suppliers, the management team, line managers, specialists and employees. All these people will be affected by the new leadership system. So, why should they support the initiative? Why should they not resist the change?

The more commitment we need, the more engagement is required. People are more likely to commit to activities they have planned themselves. So it is not only a matter of skillful change communication or dialog but of how to create time and space for effective participation and efficient involvement.

Measure and avoid risk

Whenever the management team takes over the responsibility to implement the change program, they typically follow everything associated to cost and time. Yet, they should also consider assuring that the new processes, practices and standards would improve performance and value creation. This is a quality issue. Always try to pilot or experiment the new practice. Attempt to strengthen those practices delivering better performance and avoid the ones which do not work. The key to prevention action is to identify risk and threats. The most critical risks need to be evaluated, addressed and avoided – if possible.

High-performance organization

At Innotiimi-ICG we understand that each and every organization has its own image. Our aim is not to define the high performance organization but to support companies in creating their own vision.

In order to establish a high performance organization, we have to pay special attention to the way we are going to set up the process accomplishing it. As the road leads through the social system of the company, it is complex by nature. »Change Dialog« is the key word here. Change Dialog can be described as a new methodology for realizing change and innovation in order to achieve an optimum performance. We have captured some of the best practices in our World Class Change Concept: dChange. »d« meaning dream, desire, determination, design, do, done, develop. dChange is to inspire renewal – and henceforth sustainable results.

Start today

If you choose to avoid non-stop cost reduction programs, reorganizations, frustration, fear of losing business and jobs, you need to invest in the culture of your company in order to improve and to learn. This means that you have to manage and improve the value creation. Because in the long-run, there is no other way to survive in today's competitive business environment. Culture is a strategic issue, the vision creates the necessary sense of urgency. Since it takes time to learn a new way of thinking, to adopt new attitudes and a new behavior, it is important that you get started today. ●