



CONTRADICTION ADDICTION

5 Leadership challenges that need solving right now

“Contradictions do not exist. Whenever you think you are facing a contradiction, check your premises. You will find that one of them is wrong.”

Ayn Rand

Change is constant.

Managers are under continual pressure and scrutiny just to keep up.

What makes an organisation successful in today's fast moving marketplace is hotly debated around the globe. With the shift to global markets and the technology revolution, many organisations are still struggling and despite the investment they make in technology it doesn't improve their profitability as much as they thought it would. People are busy multi tasking business as usual roles with project roles and managers have little time to reflect let alone work with their own teams. This results in many people feeling stressed. So it's no surprise there is a trend towards confusion and contradictions creeping into the once predictable and ordered world of work.

Does that resonate with your experience?

Does your organisation suffer from Contradiction Addiction?

We have worked with hundreds of organisations and in doing so observed and had conversations with thousands of people over the past two decades. Although individual organisations are unique, many share some critical characteristics that sadly impact on their ability to flourish. This is where we want to transform negative probabilities into positive possibilities.

What do we know?

On a fundamental level, organisations contradict themselves. It's often true that they really believe in what they say but messages get diluted and their people's actions contradict these core beliefs. So clarity is lost, strategy has little meaning, and relationships are complicated at best, conflicting at worst. And when organisations are built on the actions of people it is easy to see how these contradictions inhibit success.

Results revolve around relationships.

We all want to be successful. We want our organisation to perform well because when the organisation does well then so do we. Therefore why is it these organisations suffer from contradiction addiction?

Dive in and explore some of these common contradictions that restrict growth and inhibit success. You might well identify some powerful undercurrents at work in your business. And the good news is that these are easily changed when you focus on your people.

WHAT THE NUMBERS SAY

The devil is in the detail.

In recent surveys a decline in engagement and satisfaction has emerged. This needs a simple solution to tackle a real crisis.

Employee engagement and profit can seem like difficult metrics to square. One is "soft," that is centred around people their investment in their jobs and their company, and the other is "hard:" numbers. But they are not mutually exclusive as we shall discover.

What we need to comprehend is that all the statistics show where there is high engagement there is also greater profit. We all know profit also leads to engagement.

People want to work for a winner.

When we are engaged we're more prepared to use our discretionary effort. We strengthen relationships and share innovative ideas that can be game changing. In this short report

- We explain five contradictions that affect organisations now (maybe even yours?)
- We then offer some simple ideas to address any decline.

You can then build a solid foundation for success now and in the future.

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But let's start by a quick review of some key statistics:

The behaviours of highly engaged businesses result in 21% greater profitability. (Gallup)

Highly engaged employees are 38% more likely to have above-average productivity. (Workplace Research Foundation)

78% of HR leaders are more concerned about the talent shortage today than they were a year ago (Spherion)

Only 49% of UK employees have trust and confidence in the job being done by their organisation's top leaders (TWW)

58% of people say they TRUST strangers more than their boss (Harvard Business Review)

We make a **Brand Promise** that is broken in its service delivery

CONTRADICTION

1



People considerations

Always develop people in line with your values. They will feel confident to make decisions supporting your core promises.

Encourage people to share ideas about how they believe they can support your Brand Promise.

Reward people who go above and beyond, to ensure customers really 'feel' your promise.

Ensure that acting in line with your values is embedded into your performance.

Externally we promote our Brand with positive messages building anticipation and commitment for people - inside and outside the organisation.

This includes prospective staff, customers and suppliers.

But how well do your day to day actions match the promise?

New employees are promised opportunities for support. Yet arrive just at the time that their team and manager start a demanding project.

Your marketing suggests a friendly, empathetic service. Yet when a customer has a problem they are faced with a bored representative who can't be bothered to help. Or even worse, the systems you have implemented (to avoid non compliance) inhibits your staff from actually helping.

Does that sound familiar?

Your Brand values promote a promise of partnership yet your Procurement processes ensure that any supplier arrangement secures best price not best value, delays payment and pushes your supplier into a corner.

Gallup found that only about four in 10 (41%) workers, for example, strongly agree with the statement "I know what my company stands for and what makes our brand(s) different from our competitors."

And only about half of all employees know what's expected from them at work.

This really should worry business leaders Why? That's because a well-defined brand promise:

- Gives customers a unique, compelling reason to buy from the brand and be loyal.
- Differentiates the business from its competitors more positively than on price
- Steers marketing efforts
- Is a major component of creating a service culture
- And clearly defines the company's services, products, and processes.

If a rule prevents your people from embodying the brand promise or if they don't know how to behave to deliver on it, the company breaks its brand promise. It really is that simple folks!

The consequences should motivate leaders to clearly articulate their brand promise, teach it to their staff, and show them how to behave it so customers feel it every time they interact with the brand.

When your people understand and believe in the Brand Promise, then, they are in a position to support it with their colleagues, customers and suppliers in a way that creates success. They'll probably enthuse out of work time too and become valuable advocates.

We talk about the importance of culture yet our energy goes into process.

CONTRADICTION

2



People considerations

Develop your people with core skills that support your culture not just their technical capability.

Offer diverse, simple opportunities for continued development and support your people to become prolific learners.

Translate your strategy, policies and goals into the kind of language that relates to people's jobs to help guide the right behaviours.

Consider how much time you tie up your managers, with reports and meetings. Refocus their efforts towards building great people in awesome teams.

Companies that focus on culture are icons for job seekers. Each company is defined by its culture. It's the DNA of your organisation and drives the whole organisation.

A company's culture is the only truly unique identifier. Things like your products, your strategies and even your techniques can be duplicated. The only truly unique differentiators are the values and norms of the organisation. In short, it's your personality!

Younger companies that focus on culture see a huge payoff. Netflix's culture manifesto "freedom with responsibility" is one of the most popular documents on the internet with 11 million+ viewers. Everyone wants to copy it. Value statements have popped up everywhere. Zappos' cultural values focus on innovation, LinkedIn is in the "human service" business and calls itself a 'tribe', Salesforce focuses on giving to the community, and it goes on and on.

What is yours? Does it resonate?

Culture-driven companies explicitly put their people first, always. This is not about bending over backwards to the whims of your people. It is about being performance driven and enabling people to be their best. But many organisations are still failing to connect with the importance of culture and instead focus on enhancing processes to explain action and stimulate a change.

They feel by managing the 'system' they will force the desired results. But rather conversely they often lose market share, fail to attract talent and inhibit their opportunities for leveraging innovation. It's not ideal.

The reason?

Two key reasons underpin this contradiction.

1. Processes make sense.

They are clearly defined and limit risk. They are safe and provide clarity. But will this keen focus on process really leverage the opportunities of collaboration and creativity that could provide the game changer you seek?

2. We crave sameness.

In our busy working lives, against a backdrop of constant change and with little time available to reflect and plan, we crave the safety of sameness.

For the first time in history we have five generations working side by side. And, whilst organisations recognise that diversity breeds the development of new ideas as thoughts conflict and stretch the boundaries of thinking, they expect it just to take an organic shape. It doesn't. It's messy and often tough to manage. Having people who think like us and act like us, frankly, is just easier. But that does not make it better.

We know that strategy is key yet we focus more on planning than execution.

CONTRADICTION

3



People considerations

Rather than a focus on key content you want to share, consider how to make it relevant, simple but valuable and exciting enough for your people to assimilate and then act upon.

Nothing happens in a silo. Link departments and encourage mutual understanding of needs, pressures, expectations and empathy. You'll be amazed at the difference in attitude, time and effect.

Strip back reporting. Make sure you are asking for clean, specific information only - information that really tells you quickly what is happening.

More than 400 global CEOs said 'executorial excellence' was their number one challenge.

Other studies have found that two-thirds to three quarters of large organisations struggle to implement the strategies they commit time, effort and money crafting.

According to Rebecca Homkes of the London School of Economics research also shows the vast majority of companies have sound processes. If most companies are doing everything right in terms of alignment, why then are they struggling to execute their strategies? The critical challenges appear to centre around: communication, relationships and focus of performance measures. There is no doubt senior executives do communicate their strategy.

However, its emphasis, clarity and impact is lost in the cascading process. Therefore people who need to deliver simply don't understand the exactly nature of what they need to do. Further study suggested most managers feel they can rely on their boss and direct reports to deliver. Ironically, only 9% of managers say they can rely on colleagues in other departments.

Instead many compensate with a host of dysfunctional behaviours that undermine execution such as duplicating effort, allowing promises to customers slip, delaying deliverables, or passing up attractive opportunities. It's not pretty.

Systems and processes are introduced to avoid slippage and focus efforts. Data is sliced, diced, and formatted, then checked and rechecked by managers at different levels. In addition, ad-hoc reports are then created in response to particular questions raised by the regular reports. In other words, operational reporting becomes a cottage industry that sucks up time and resources leaving little time to actually do the work.

Planning and executing a strategy are interdependent. Many more people are involved in planning than execution. Without a keen eye on engagement, follow through and focusing efforts it's easy to see why strategy doesn't fly and short term reporting prevails. This often leads to a failure to tell anyone what is really happening at the coalface.

People resist ambiguity and operate in a vacuum leading to siloed processes that don't align and when people are blamed for missing targets it is only human to feel frustrated.

We know responsible business provides long term value

yet we are naturally drawn to short term results

CONTRADICTION

4



People considerations

Think of your suppliers and staff as partners that want to help. Involve them and engender honest open conversations rather than seeking to win at all costs.

Teach staff to think about the impact of their actions based on the 3P's so every action can be aligned consistently.

Ensure performance reviews focus achievement of KPIs in line with company values.

Strip down communication making the ambiguous clear, the hidden, open and the big picture, specific.

Smart growth for organisations is driven by sustainable innovation.

Responsible business is about taking action in the context of the impact their actions will have on:

• Profits • People • Planet

Yet the demands of both market and shareholders ensure a continued short-term focus for many Boards. Whilst the tension is understandable, in many organisations it drives a damaging contradiction between beliefs and action.

Let's explore some of the megatrends relating to CSR. These findings are taken from 2016 CSR Index Insights report.

- (98% of companies say they have long term (five-year) environmental objectives. Great! But only 74% have climate change related targets that extend beyond the next financial year
- As few as 28% of companies interviewed include values in their performance reviews. Even fewer, 12%, reward those who act in line with these values. Surely if values establish the ethical guidelines for operation this is a grave area for concern.
- According to the Edelman Trust Barometer 2016, only 57% of people in the UK trust the companies they work for. This is a worrying statistic. It is clear that clarity and transparency of information is fundamental to developing more powerful engagement. Considering over half the companies surveyed cite difficulties in recruiting talent then transparent CSR can support in this area.

- A sustainable and resilient supply chain is key to a company's ability to deliver its business strategy successfully. When supply chains are not carefully managed companies are exposed to a range of risks. These include: reputational, legislative and environmental risks. However, the supply chain also represents a massive opportunity where collaboration can drive innovation and efficiencies in the business, resulting in decreasing costs and increasing profits. Almost all CSR Index participants (93 per cent) state they collaborate with suppliers to solve sustainability challenges through strategic partnerships or by fostering innovation.

This is great news yet late payment for SMEs is a persistent problem with only half of respondents saying they pay in line with their own policy. Most pay between 60 – 90 days late.

- Sustainability is a more prominent metric. The majority state they innovate with new products/services and also offer upgrades and repairs. However, only 14% use sustainability to innovate their business model. They fail to consider their own operations and products/services or how their customers use their products. This flies against the trend where people, either potential recruits or customers, are seeking to be associated with responsible organisations. They will vote with their feet and go elsewhere if they form the impression practice does not align with your marketing materials.



People considerations

Do you assimilate and value local cultures? You should. Start with WHY? Focus on strategy for expansion first

Hire locally and train corporately; combining the best of both worlds.

Past performance doesn't guarantee success, learn to learn fast.

Give people the tools and train them to the core standards that represent the organisation. These are your future advocates.

Use technology to support openness, communication and trust. Encourage digital sharing. Use smart systems to support this philosophy and train people so effectively they naturally abandon old habits and style of communication.

Managing global organisations has been a business challenge for centuries. But the nature of the task is changing.

Now the technological revolution connects employees, customers and suppliers at a local level whatever the centre tries to do.

Being global brings clear strategic benefits: the ability to access new customer markets, new suppliers, and new partners. But being global also brings strategic challenges. In particular, strategy development and the allocation of resources can struggle to cope with the increasing diversity of markets, customers, and even channels.

Against this backdrop, continuing advances in information and communications technology make new forms of international coordination possible. But, in general, global organisations are struggling to adapt. There are common tensions felt by many global organisations in managing strategy, people, costs, and risk. These are risks but at the heart of the perceived difficulties is mindset. You will have heard the 'this is the way we do things around here' mindset. When we combine this with a lack of understanding regarding emerging markets it means that organisation focus on safety. You know, the 'what we do know' approach. This means, the same thinking often compromises expansion into new markets.

Therefore barriers are created, costs increased, effectiveness is reduced and opportunities are missed.

People are an asset and a challenge. The vast reserves of skills, knowledge, and experience within the global workforce represent an invaluable asset. But making the most of that asset is challenging. For example sharing learning while also deploying and developing talent is a major concern.

So we have developed situations where key people operating around the clock from a central base. They make conference calls in their p.j's and frequently catch the red eye. Regional Managers become bogged down in reporting systems that don't reflect what is actually happening but create the illusion the Centre is in control.

In order for organisations to flourish globally there needs to be an openness to changing traditional mindsets that are no longer relevant or examples of good practice. Only then can the full opportunities that globalisation brings be explored.



The challenge may appear complex but the solution is simple.

As organisations have become more complex and structures increasingly diverse, people struggle to truly comprehend the basic needs of their role and their place in the organisation.

Priorities shift and relationships are difficult to understand. Meanwhile opportunities pass by. But it doesn't need to be that way.

Our decades of observation and thousands of conversations have led us to develop a clear, simple, rapid guidance system for your people so they can:

- Know how to navigate these complexities
- Sift the 'noise' from the important stuff to ensure key priorities are their focus
- Have the confidence and drive to succeed and know they will have the opportunity.

Remember results revolve around relationships. One relationship at a time.

If your managers are well trained and focused, then all of these contradictions fall aside. In their place, clarity, purpose and drive to succeed.

By cutting through contradictions you will unleash innovation and progress. Acting on purpose regarding every action and each decision will transform any operation.

We have developed the 'Genius Difference' model that is the key to unlocking the blockage that has caused these conflicts. This model is embedded at the very heart of our learnings and ensures everyone can act on purpose and with confidence every single day.

Call us now for an informal chat about how we can help generate the positive ethos that will transform your organisation's performance.

Begin right now.

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