

New initiative? Sure, whatever

Organisations often have so many frameworks in place aimed at improving business that it can be a full-time job keeping track of them all. The best cure for this ill would be a new initiative called 'simplicity', says **Dr Leandro Herrero**



In medium-sized and large companies, corporate life is very often punctuated by a series of continuous 'initiatives' that are launched to provide the workforce with frameworks, guidance, rules, strict dictation on what is possible or not, acceptable or not, new directions, new focus, new emphasis or new requirements. They all come on top of more permanent frames of reference. For example, there is usually a pre-existing 'value system' of some sort with, perhaps, a set of half a dozen of those declared values and their definitions. In all likelihood, there is also a performance management system in place used to measure the achievement of individual annual goals and objectives. The linkages between these permanent frameworks are taken as read. It may be assumed, for example, that somewhere in that annual appraisal, under the performance management system, there is a reference to the value system. But this is sometimes one hell of an assumption. In many cases, these two frameworks are not connected, or at least, not in an obvious way. That is, the corporate value system sits somewhere in the background while the performance management system speaks the day-to-day language of operational

goals and objectives. Put it modestly, the two 'systems' may not talk to each other very well.

If you work in a sales force, you will probably also have a 'sales system', perhaps branded as unique to the company. Let's call it 'Company X Sales Process and Performance' or XSPP. It will map some steps in the selling process, from planning through to closing the sale. It will have a full training programme associated with the framework. Any new recruit will have to join the training programme and embrace its method. A performance management system for that particular sales force is likely to incorporate measurements of how the individual is doing in the XSPP system, together with measurements of individual targets of sales quota and other operational objectives. For the sales force professional, it represents a different set of measures and a particular reference framework on top of the company's corporate values and their descriptions. So, to follow the logic, there are now three frameworks that should 'talk to each other'. It would be logical to expect the sales force division to follow the corporate value system; therefore the XSPP should be 'compatible with it' and performance management should incorporate both. So we have at least the following components of the metrics equation so far: how an individual meets his sales targets, how he does this following XSPP, and how he lives the corporate values.

It may be that the company has embarked on an enterprise-wide cost-cutting initiative. Many large pharma companies have their own types of initiatives, branded or labelled with a title, although they are not necessarily described as 'cost-cutting'. These programmes are sometimes projected as some sort of organisational effectiveness intervention under themes such as 'working smart', 'adapting to

the environment', 'fitness for purpose', 'scale 2010', etc. They usually inform processes such as hiring and downsizing, and other operational expenditure such as travel and perks. The visible, and perhaps superficial, part of those programmes is very often something of a carbon copy between any one company and another and they contain a predictable litany of 'measures' – no business-class travel, no off-site meetings, no consultants, no special training programmes, for example.

Aside from a cost-control programme, the company may have other parallel frameworks or 'initiatives' such as a quality system, perhaps in the form of a resurrected Six-Sigma. This is another superimposed matrix of declarations of purposes, language, metrics, processes and expected ways of working.

Let's imagine that, as an example, we are talking about a big corporation with a large HR function and that there is a leadership development system in place, perhaps an internal 'leadership institute'. Chances are there is a 'leadership framework' that details the quality of desired leadership, its taxonomy and perhaps a set of, let's call them, 'leadership behaviours'. This is another framework, another language and another set of measures, not to mention another set of booklets, guidelines, CDs and workbooks on offer that managers are supposed to use with the troops at some point. Would the sales management in my example ignore the crucial dimension of leadership qualities? Surely not! So it will have to be incorporated somewhere. If my counting is correct, I now have five different frameworks/programmes/initiatives superimposed, besides the perhaps overriding 'working smart' or other down/rightsizing programmes.

Different department, same story

Let's continue and imagine you are visiting the marketing division. They have their own five-year 'renewal plan' that contains five strategic goals across the division, leading to 12 critical success factors (CSFs). Each section within the division (international marketing, new products marketing, strategic marketing and product lifecycle marketing) is supposed to absorb the 12 CSFs and create their own action plan to make sure they are driving in the right direction. The marketing division's leadership team has also crafted a small set of overreaching 'drivers' expressed as: 'customer-centric focus', 'smart connectivity' (with other parts of the company) and 'living the brands'. These are the three dimensions that this leadership team has decided rank above

everything else. Each of them has been described in some detail and each contains additional CSFs that are linked to the other more operational CSFs. The sales division, which we left with at least five different managerial frameworks, has a similar strategic construction on the strategic/operational side although expressed in a different language. The R&D division has another one under its own triad: 'time-to-market', 'smart projects' and 'knowledge networks', each of these with similar patterns of definitions, universal goals, CSFs and the associated 'translation' for each of the sections such as clinical development and regulatory affairs. There is always a training package and some workshops associated with these frameworks.

In my experience, it is not unusual for a given professional in the managed-by-framework type of company to find himself 'framed' (what better word to use if you have so many frameworks?) into at least four or five different systems of reference, to recap the examples above – a corporate value system, a set of leadership behaviours, an individual performance management and appraisal, a quality initiative and a divisional five-year plan, all of them with their own language and metrics. Half of them may seem vaguely connected. As for the rest, if the intention was to connect them, that connectivity may not be obvious in reality.

Each of the 'initiatives', new or old, has come to life for good reasons. All of them have so-called 'sponsors' at high levels to ensure that people get the message of how serious the company is about them. Because of their multi-centric origin, these initiatives have their own epicentres of energy. The HR division is pushing leadership programmes, workshops and associated materials for managers. These managers are also getting the standard presentations toolkits and workshops of the quality system sponsors. Their division has its own programme of training for all managers on, say, 'customer-centric practices' and 'smart connectivity'. This is another set of activities (workshops, meetings) and another set of visible frameworks (templates, posters, booklets, workbooks). Sometimes it takes an outsider, such as an external consultant, to bring all these pieces together in front of a given management team for them to realise they have all these strings somehow pulling in different directions. These directions may try

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to be, or try to look, convergent but very often this is more a case of wishful thinking.

Confronted with all these packages, schemes, frameworks, programmes, appraisal systems, declared sets of values, dozens of CSFs, dozens of actions, and ever emergent agenda, and, having corporate projects to follow, workshops to attend, PowerPoint presentations to read, plus the daily hunt for cost-cutting, the average employee feels

bombarded under a constant campaign of friendly fire. Management sometimes explains it all (the complexity) by saying they want the workforce to understand the corporate

objectives so that people can be aligned with them. The employee, meanwhile, sometimes has a single-word response to it all: "Whatever!". This is a short translation for: "Whatever you say, I don't care, I can't cope with all this. I am just trying to do my job". Alignment? Alignment with what? people seem to say. The daily life of the employee takes place in a forest with so many trees that they, perhaps, decide to deal with them one at a time. Much company life is spent looking inwards, managing internal process and systems and refining and re-oiling the internal machinery.

Companies often suffer from framework exhaustion, initiative saturation and multi-metrics disease. It is often more visible in the sales force where, chances are, there is a complex incentive system in place that, on top of everything else (yes, I didn't finish my listing before), gives the greatest bonuses to the top tiers and smaller bonuses to the lower layers in a scaling-down system often called 'forced ranking'. Incidentally, one of the reasons incentive programmes are one of the most useless management tools on offer is that they are often based on pristine benchmarking market data provided by compensation and benefit consultants, who have zero knowledge, incredibly, of behavioural sciences leading to colossal flawed behavioural assumptions.

For example, a forced ranking system that gives US\$20,000 in bonuses to the top 20% over-achievers, US\$15,000 to the following 15% and US\$10,000 to the next group down, is based on the assumption that individuals are rationally seeking more money all the time. But Joe Block, senior rep, seven years with the company, proud of his job, bombarded with a quality programme, 12 CSFs, a performance

management system, four leadership drivers, ten principles to 'live the brand', sales targets, an advanced sales training course, and one hour a day spent sending 'activity data' to the customer relationship management system (CRM) from his laptop at home, threw in the towel a long time ago and professes (so far, in private) that awful, terminally-ill 'whatever'. He is doing his job, he knows that he will do a good job, but he is happy settling for the 10% overachievement and has no intention whatsoever of killing himself to achieve the 20% figure and the associated bonus excess. "Do you want to rate me?" Joe asks. "OK, do it, but don't force me to understand the metrics – last time I tried I was totally exhausted." "But Joe, please look at this. We need to follow the ten new quality principles." "Sure, whatever."

The initiative fatigue and multi-framework approach that we are seeing, particularly in medium-sized and large corporations, operates like a 'friendly-fire machine gun' that kills any hope of so-called 'alignment' because it is impossible to know what one is supposed to be aligning with. It is a death-by-template approach that spreads like a plague, very often with senior people on the tenth floor totally ignorant of its toxicity. Each of the 'sponsor groups' would report back on the marvellous achievements of their initiatives but, perhaps, nobody would point out that the troops are exhausted and wounded and that the lethal virus called 'whatever' is now spreading rapidly.

Change management consultants of the old guard keep repeating the mantra that people are resistant to change. I disagree. People are resistant to imposed change because their level of defensiveness to corporate frameworks is high and because they feel no control whatsoever over what's going on.

Given the temptation of small companies to imitate the medium-sized ones, it is not unusual to see some caricatures of this problem in those small-scale enterprises. That is scary. It is leadership at the top of any company that has the duty to look at all these 'initiatives' and see if they provide any real meaning and direction. But they may be too busy with a boardroom initiative of their own. The best new corporate initiative that many companies need is called 'simplicity', the best leadership output is called 'meaning', and the next senior management vacancy to fill is, vice-president of cleaning-up frameworks. Believe me, the 'whatever virus' is deadly and spreading fast. Trust me, I'm a doctor.



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