

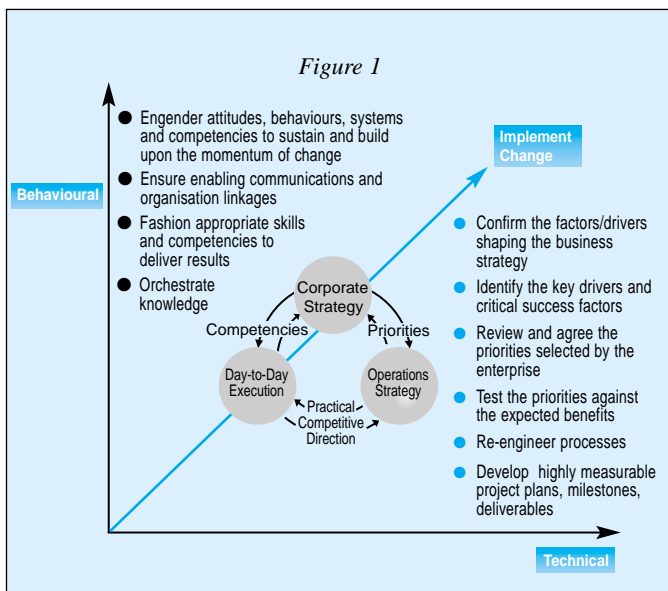
TURNING STRATEGY INTO REALITY - ALIGNING YOUR PEOPLE TO THE CHALLENGES AHEAD

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One of the greatest challenges facing business managers today is harnessing the efforts of the organisation's most precious assets – its people – in the well-planned and concerted delivery of its products and services; in full, on time, time and time again, and throughout the full spectrum of its activities. This challenge traverses several disciplines and involves the adoption of new ideas and skills. It will change the shape of management with greater focus on internal branding and the regular and consistent explanation of corporate culture. The new mantra is employee engagement, and it is a management priority.

Controlled, planned and benefits-driven, change is imperative in driving any enterprise forward. But in order for successful change to be sustained it is fundamentally important to find the right balance between technical/operational enhancement on the one hand, and the development of 'people skills', individual and team development and credible, effective management on the other; as Figure 1 below shows. Getting this right constitutes the commencement of the development of employee engagement.

The starting point is the matching of both the eligibility of individuals to roles, their technical and experiential credentials to perform the full range of activities required, and their suitability. Suitability relates to the behavioural characteristics and 'personal traits' required to deliver effective performance in the role. Inevitably, the rational element of business, the intellectual and functional part of performing a role, is more readily understood and embraced by managers than the irrational dimension; irrational here referring to the behavioural drivers that affect and shape an individual's performance, particularly when under stress.



How often have you heard it said of someone: "Well, he was a great engineer, but since he became Engineering Manager/Director/Plant Manager he couldn't manage anything in a brewery?" It has long been the case that companies have fallen into the trap of turning great functional specialists into poor managers – either in the mistaken belief that a technical specialist can somehow bring the team along as a manager by strength of technical excellence alone, or because the remuneration and reward systems do not allow for the growth of an individual's personal wealth and status without the need

to become a 'manager', or even because companies have not put in place processes for identifying and nurturing good managers.

How often is it also the case that people will, from time to time, comment of the organisation in which they are working or and observe that "we've got some great people but we never quite seem to achieve our expectations. Something always seems to get in the way ...". It is true to say that a mis-match between the skills and strengths of an organisation's individuals and the absence of or deficiencies in business processes will inevitably lead to below-expectation performance. An easy analogy of this is the sports team containing a high proportion of acknowledged stars whose performances stutter because of poor on-field tactics and inadequate off-field team-building and development activities. The result of both the continued failure to meet corporate expectations and the ineffectiveness of any team-building and development activities, apart from poor corporate performance, is that the team's stars become disillusioned and commence their exit strategy. The stakeholders in turn become disaffected by the poor performance and the departure of their star performers, and the business suffers a double-whammy.

A considerable amount of work has been carried out to show how employee-engagement and a strong connection between the corporate vision and goals and the aspirations of the company's employees is a 'must-have' for sustained success. A few examples of this work follow.

- An alignment is necessary between the company's 'culture' and the needs and motivations of its workforce. Hugh Davidson has recently brought this fundamental issue prominently into focus with his latest book "The Committed Enterprise" [1] in which the marketing, communications and organisational dimensions meet and coalesce. In truth, the creation of an empathetic corporate culture, one that meets the needs and expectations of both employees and customers, is one of the foundations for the success of Richard Branson, Jonathan Richer and others. More recently the work done for Network Rail by the Rossmore Group in identifying and shaping a corporate culture in which entrenched and disillusioned employees of the former British Rail/Railtrack business can once again begin to feel a sense of ownership and pride will almost-certainly determine the future success of the nation's rail infrastructure organisation.
- Put into a line role someone who has all the technical eligibility requirements but who lacks the suitable people-skills and you will invite a potential motivation/productivity issue amongst those who either report to the individual or who interact most closely with him/her. In fact, work done by the Gallup Organisation into employee-engagement and commitment shows the cost to businesses where line managers fail to 'engage' their reports on a daily basis. An example given in the book popularising the work done by Gallup [2] is of a national retailer and shows that poor line-management practices cost the company over £50 million in bottom line consequences. Gallup have now developed a database containing many '000's of interviewee records from which clear, understandable, proven and quantifiable measurements can quickly determine the extent of motivation problems, and a managerial 'toolkit' has been derived to provide remedial actions.

- MORI has done a significant amount of work on the concept of internal branding which directly relates the quality of engagement of staff to their organisation, its products and customers. This unsurprisingly illustrates the downside of having disengaged, de-motivated staff, with a high correlation between staff attitudes and purchasing intention [3]. MORI has now drawn up a clear link between the value of the 'internal brand' and the fortunes of the external label. This has had vast implications on the decisions relating to marketing spend and the focus for lasting brand-building activity, since the marketer, once considered simply the advertising or promotional expert within an organisation, now has to embrace the idea that communicating internally a significant part of the overall marketing mix. Activities once considered to be the preserve of the HR function are now moving across to the marketers - bringing with it the slightly scary potential for a blurring of roles and responsibilities between the marketing department and the HR function, as each tries to win over the hearts and minds of the employees. Work done recently by the Rossmore Group for Royal Ordnance to measure communications effectiveness has illustrated the dangers of not having a good internal communications process in place to 'sell' the company's brand, with an enormous gulf evidenced between management's perception of the success of an internal communication process and the reality as identified through a simple internal post-campaign survey. This disconnect was a symptom of more significant cultural issues facing the management team.
- MORI has furthermore established a clear link between the corporate culture and the intimate understanding of the brand required by employees in order for this 'inside out' approach to branding to bring lasting external benefits. Where the company's vision, values and desired behaviours are well articulated, and its culture 'lived' and endorsed by employees, the brand values are understood, appreciated and mirrored in action. The implications of this permeate all the activities of the business and particularly the internal communications function. Again, it is essential to engage your employees through the recognition that their well-being and future needs are far too important to entrust solely to the activities of the HR department. Whilst the HR function undoubtedly performs some admirable and business-enhancing functions, managers and staffers alike gain their daily motivational sustenance not from well-meaning personnel managers but from their direct line-manager.
- The development of the 'human assets' in your business will enable you to build on the skills, behaviours and talents lurking within your workforce. Skills and experience are usually relatively easy to identify, log and develop; behaviours and 'talents', less so. There are analyses available to understand the behaviours that employees generally display, both in 'normal' situations and when under pressure. Making use of such analyses enables managers better to know how their reports work, how best to bring their strengths to bear in the daily business and what behaviours to expect when the going gets tough. The Rossmore Group has used behavioural style analysis for many of its clients, to give greater insight into the appropriate management 'on-off' switches of which managers need to be aware for their line-reports. Furthermore, this understanding of behavioural style brings an opportunity for managers to provide some stress-busting support to their teams: work done by Dr George Solomon of the University of California over the last 40 years shows that people experience a physiological response in times of personal pressure; creating a sense of feeling overwhelmed and of diminishing self esteem. What we know as stress. With an intimate understanding of the individual's behavioural 'make-up' and the appropriate use of this awareness in managing and motivating people, managers can carefully supervise and

guide people's time, workloads and challenges, turning this negative physiological response into a positive reaction that brings increased individual performance and lasting, enhanced self-esteem.

As an example of the need to align workforces with corporate decisions, take a piece of work recently undertaken by the Rossmore Group in response to a client's desire to introduce a continuous improvement programme into a facility producing vehicle components. Ostensibly a project focussing on the introduction and implementation of 'hard' skills, it became clear at the pre-project discussion stage that, in an atmosphere of adversarial union-management relationships, the work needing to be done was an employee alignment exercise, and that the concept of continuous improvement could only follow once the workforce understood and embraced the corporate goals developed exclusively by management. There followed, therefore, a 'cultural climate survey' to ascertain the degree of employee-engagement - doing this enabled the company to identify to what extent and where, across the organisation, a programme of management training, internal communications and employee development would bring the most impact. It is only at the point where some of these programmes begin to create permanently changed employee behaviour that the value of a continuous programme will emerge in the business results.

Winning companies are those that focus on thoroughly mining the opportunities offered by a better-educated and transient workforce; with management development being the prime method of bringing this precious commodity to flourish. Furthermore, synchronising the company's workforce with its culture, through culture climate assessments and through activities designed to imbue the workforce with a set of realistic values emanating from a credible vision, will exploit the benefits of good workforce training and development. Just look at the empirical evidence amassed by Jim Collins as proof of the value of excellent, consistent alignment of employees with corporate vision and values in sustained bottom-line improvements [4]. The examples of highly successful companies in relatively unattractive industries show that it is the existence of a distinctive corporate culture, accepted and understood by its employees, even if it is not articulated in exactly the same terms throughout, that drives, nourishes and sustains success. Interestingly, Collins goes out of his way to emphasise that it is not simply due to the presence of a charismatic founder or CEO - and in some cases the CEO is often markedly introvert.

Much attention has been given to management development and the 'soft' side of business over the last 15 years, but the experience of many experts in the field of organisational behaviour and personal development is that the lessons are not being learned and that organisations continue to underestimate the benefits of a focussed and sustained attention on these issues. Training budgets are seen as a cost rather than an investment and are classically the first to go (perhaps even before the marketing spend cuts come!) when the going gets tough. Data collected recently for the Department of Education & Skills [5] show that, when measured as the percent of the workforce given off-the-job training, management and supervisory development lags behind training given in health and safety, job-specific skills-development and in new technology, particularly in companies of under 200 employees. Furthermore, the amount committed to off-the-job training by UK companies averages only 1.34% of payroll costs (in the USA, this figure is 1.81% - which in itself is below a benchmarked target of 2.23% [6]).

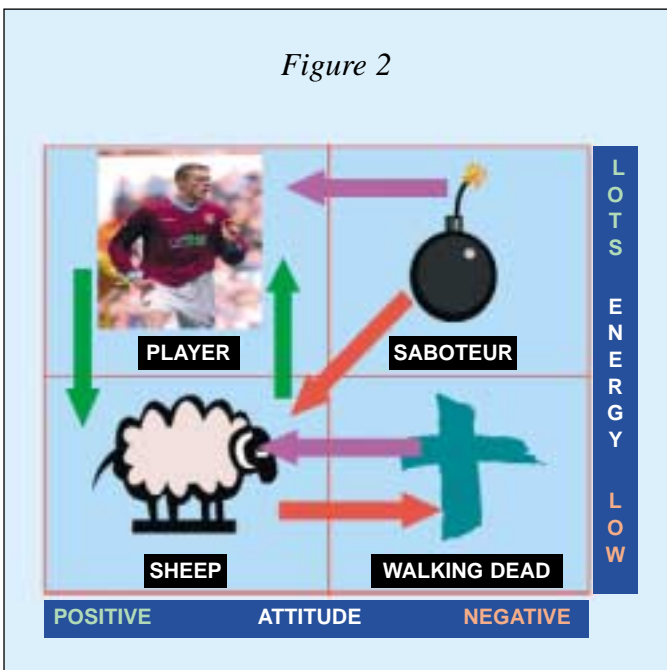
Furthermore, the managers responsible for recommending training for their reports typically will not themselves have undergone training in the 'soft' side of business and therefore fail to understand the intangible benefits of putting their people through courses designed to provide long-term skills-enhancements for the next manager-generation. Finally, the short-term financial perspective of both investors and

senior managers has ensured that training and support for the 'uncertain' time beyond the current accounting period has been at best patchy.

Dr Meredith Belbin has for long been expounding the need for managers to understand the characteristics of a successful team, and the fact that a well-balanced team of people of varying skills and personal attributes will normally prevail over a team of single-style go-getters is now readily accepted. Belbin's team-role analysis facilitates the recognition of relative strengths and weaknesses both from the perspective of the individual him/herself and from that of other members of the team. Recognition and understanding is part of the process. Utilising this understanding in assigning tasks and responsibilities is a fundamental action, but not the only one. Other tools used in the pursuit of a motivated, focussed and developing team include the use of effective appraisal and remuneration systems, excellent communication to and from members of the team, and agreeing individual personal development plans.

It is important to note that remuneration, benefits and corporate kudos do not, on their own, oil the wheels towards individual and team effectiveness; nor are they a good guide to relative individual competence. Work done with a major soft-drinks company throughout Europe on its NPD processes indicated early on that, despite the presence of some excellent and well-remunerated individuals, and the existence of a strong external brand-image, the absence of a cohesive internal brand (culture) and the lack of a focussed personal development structure meant, inter alia, that the cost of bringing products to market was almost double what it could have been. Perhaps more importantly, new product introduction was being conducted in a fragmented and dysfunctional manner, resulting potentially in long-term consumer-confusion and a significant dissipation of marketing spend.

The downside of neither recognising an individual's distinctive behavioural characteristics nor understanding the effects of poor line-management within your organisations is the possible emergence of business 'saboteurs'; those people for whom the organisation has failed and is now perceived as a target for exploitation, bad-mouthing and general disruption. This is illustrated in Figure 2 below.



Closely aligned with people development is the framework of excellent operating processes: having the people is no guarantee of success because, without a reasonable framework within which to operate, the focus and direction is easily blurred. Taking this point to the extreme, one only has to look at the

acknowledged starting-point of operational/organisational development and the 'division of labour' work done by FW. Taylor in the late-nineteenth century to process the flexibility out of work, to understand that this can be taken beyond good reason, but it serves to illustrate the point well. The symbiosis of behavioural, technical (skills-based) and process issues forms the great triangle for well-managed, successful change, and this works well in any environment – operational, back-office, product-focussed or service based.

So, why is all this important in today's operational environment? As discussed above, the competitive landscape demands that organisations develop and sustain a relevant and evolving range of products and services, backed up by excellence in all the support functions necessary to deliver in full, on time. Achieving this every single time can only be done by aligning all the employees to the vision, aims and operating style of the organisation. The role of operational professionals in this is pivotal since they bear the responsibility for supporting and promoting the development of an appropriate and sustainable internal brand to mirror the image and external persona of the company to its clients/customers. The internal brand and corporate culture are fundamentally interlinked, from which comes individual 'commitment'. Operational excellence derives as much from the 'commitment' of the people as from the processes and technologies employed by the organisation. Get all these in 'sync' and you create the environment for excellence.

Summary/Action Points:

- Focus on the impact of behavioural development and managerial skills as well as on the 'hard', skills-development side, in order to maximise business growth opportunities
- Ensure that your people – throughout the organisation, understand, promote and 'live' the corporate culture – spend as much time as you can investigating and understanding your company's culture; and explaining it to as many of your people as possible
- Give greater attention to promoting the brand values internally
- In these tough-growth times, recognise that people development is an imperative not a 'nice-to-do'.

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About the author

David Evans has been in line management, in marketing, operations, organisational and general management, for around 20 years. With a firm focus on delivering excellent commercial value at all levels of business and having been profit-responsible for all aspects of organisations, he is now a consultant for the Rossmore Group, a provider of business solutions specialised in implementing sustainable performance improvement through operational and organisational approaches.