

## **Vanguard Articles - Doing more with less**

Leaders should be judged by their ability to develop new ways of working. Doing more with less demands focus, efficiency and improvement. It starts with thinking about doing things differently - in order to do different things.

One of the few certainties about the 21st century is that change will continue, bringing with it an increasing challenge for managers. In response to this change, organisations will continue restructuring and reorganising, as well as seeking acquisitions, mergers and other kinds of alliances. And this, of course, will bring additional change to people throughout the organisation. The focus for leaders will be how to achieve high performance quickly and without burdensome cost, both in monetary and human terms.

Leaders can determine or influence both the form and the process of change. Form is a question of placing the bet - predicting what new strategy, merger, or other change in structure or direction has the potential to improve the organisation's position or performance. Process is a question of how to implement the change in a way that will ensure realisation of the proposed benefits.

### **Work smarter**

The 1980s have seen practical advances in both issues. Leaders are learning to design organisations with a focus on the customer interface. The importance of hierarchy is diminishing; jobs and roles are being redesigned to maximise the value they create for others; and ownership of resources is beginning to be seen as less important than accomplishment - resulting in an unprecedented variety of partnerships.

The results so far are mixed at best. Acquisitions, for example, do not typically improve financial performance in the short-term, and may fail over the long-term. The problems cited are all process problems:

- Resistance by the acquired management.
- Reduced motivation after acquisition.
- Focus on the acquisition - taking attention away from today's business.
- Overload in the management systems.

These problems are not unique to acquisition. In varying forms they are potential stumbling blocks for almost any major change. Not infrequently, the change is accompanied by both an increase in work and a reduction in resources. Managers are told they must 'work smarter, not harder'. As one manager said: "I thought I was working pretty smart before; now I've got more to do and less to do it with, and I don't have time to figure out how to work smarter".

While the 1980s have brought greater recognition of the importance of human resources, as well as greater investment in people, we are not yet consistently successful in implementing change without an acceptable financial or human cost. What we have learned is that the way one does it (process) often makes more difference to performance than what is done (form). Downsizing, for example, can result in a demoralised, resentful work force - or a workforce taking on a new challenge with pride. Those differences will influence performance far more than the short-term cost savings from fewer salaries.

We also know that lack of clarity and the accompanying uncertainty about what is expected of one and what will happen as a result - is often the cornerstone of what is described as resistance to change. People don't resist change per se, they often resist what they perceive as actual or potential loss of stability, security, status, or successful accomplishment. Clearly articulated visions, values and goals can substantially reduce uncertainty by providing people with a clear picture of where the organisation is going and how, in principle, it will behave. However, they will not, by themselves, be sufficient to bring about the level of performance that the organisation needs, and that its people are capable of achieving, without:

- Clear evidence that key organisational leaders are acting in accord with the vision, values and goals.
- Change or elimination of process requirements from the 'old organisation that are no longer functional with the 'new' structure or direction.

If leaders want new behaviours from the organisation, they must provide successful models of these behaviours (and if they can't do it themselves they need to identify others who can serve as models). If they want people to work smarter with fewer resources, they need to debar out organisational systems that are no longer functional, or that drive old behaviours. Two examples may help to illustrate the point.

An equipment manufacturer made a decision to implement a new marketing and sales strategy that emphasised building long-term relationships and opening up selected markets. The head of the sales organisation, however, continued to model the behaviour of getting orders first, independent of whether they contributed to the market strategy - and information and reward systems continued to emphasise short-term sales activity. The result was considerable uncertainty and mistrust with relatively few people willing to forego a short term sale for the possibility of opening up a new market.

A utility company developed a vision, goals, and values which included an emphasis on customers, and being competitive and highly responsive. Yet, many of the old systems designed for control and standardisation remained in place. As a result, change was slow and difficult as people tried to respond to the new directives while working under many of the old, time-consuming systems.

For instance, a training organisation working with reduced resources and a directive to become more responsive, attempted to do so by making greater use of outside resources. It found itself hampered by the requirement to go through the 'old' purchasing system which was highly control-oriented and designed largely to ensure the purchase of standardised materials at the lowest cost.

Neither of these organisations lacked for intelligent leaders or capable people; nor is there any reason to think that their choices of what to do were deficient. Both were hampered, in part, by failure to gain involvement and commitment throughout the organisation and, in part, by the difficulties inherent in getting 'outside themselves' to better view the effects of organisational systems and practices.

While there are no easy answers to the question of how to bring about rapid change effectively, there are some lessons from experience and ideas from recent literature which offer guidance.

How to bring about rapid change

You cannot do it on your own

Successful leaders recognise the need to involve as many people as possible in determining how best to make the changes work. This does not mean leaving the vision or the principles vague to allow for appropriate interpretation by others. Nor does it require involving everyone in determining direction and strategy. In practice, relatively few people have the knowledge needed to make major contributions to decisions about broad direction and strategy. However, most people in the organisation do have the knowledge to contribute to decisions about how best to structure their own work in line with the strategy.

Leaders have the responsibility for choosing the strategy. They must determine the organisation's best response to customers and other environmental conditions. This response should be clearly articulated in a way that can be understood by all. But it can't stop there. Leaders also have a responsibility to articulate their ideas of how the new organisation will work - how new processes, procedures and relationships will be designed to put principles in place and accomplish goals. Here, the emphasis has shifted from 'what to do' to 'how to do it', and the input of others in the

**Organisation is both useful and necessary.**

The chief executive and management team may be in the best position to decide whether to diversify or focus on core products and services; whether to focus on the 'high-end' of the market with premium products, or broaden the customer base. But the front-line personnel and their managers are usually in the best position to identify how and whether existing systems support or hinder that directive - and to make suggestions for change.

## **Saying it once is not enough**

Explaining the need for change, the new rationale, new processes, relationships and so on, is a necessary but insufficient activity. Even so, many leaders do too little of it, thinking that explaining things more than once is wasteful.

Leadership requires creating opportunities to talk to people in the organisation about both the what and the how. The process offers several benefits:

- It improves clarity about direction throughout the organisation.
- It increases belief that the organisation is serious about change.
- It provides leaders with an opportunity to model the kinds of behaviours they expect.
- It serves to keep the leader in touch with how things actually happen.

All leaders run the risk of assuming they know how things happen in their organisation - often they were once in those jobs. Good leaders recognise that 'those jobs' and the environment in which they are performed have changed, and are continuing to change.

Words must be accompanied by action - by finding or encouraging others to find developmental opportunities for establishing new behaviours and performance. Well designed development activities permit individuals to try out new ideas and experiment with the new while helping to fashion it. It is one thing, for example, to state the benefits of different working relationships and another to bring the relevant groups together to work things out for themselves through well structured activities.

## **New assumptions require new practices**

Regardless of the directional choices an organisation has made, successful change requires finding ways to:

- Ensure a clear focus on the new direction.
- Create an environment that allows people to function as efficiently as possible (an obvious requirement for doing 'more with less').
- Empower people to take action on their own in line with strategies and principles, if they are to be responsive and adapt to continuing change.

## **Accomplishing more with less**

At a tactical level there is a shopping list of things which have been done to accomplish more with less. Below is a list of tactics which have been, or show promise of being, effective in bringing about successful change.

## **Focus**

- Communicate expectations of a shared future. The development of a vision, methods and processes and the opportunities to communicate them are vital.
- Redefine roles in terms of value created for the strategy, customers, and other areas of the business. Measure value created and use this as the means for rewarding performance. The emphasis is on maximising co-operation rather than managing boundaries.
- Use development activities to reinforce focus and get other individuals involved in solving the problems of implementation quickly.
- Eliminate or minimise the use of 'aggregate' performance measures, e.g. regions being evaluated on the sum of the districts. The measures that matter are in place at the lowest level. What matters for levels above is how they go about helping improve competence among the levels below - and that should be their focus.
- If it requires teams to get things done, then give responsibility to teams (not individuals) and invest in improving teamwork.
- Ensure that incentive/reward systems are rewarding the right performance. Reward the 'how' as much as the 'what'.

## **Efficiency**

- Clear away decision-making clutter. People who have 'over sight' of others rarely add value to decision-making. Rather, they slow the process, encumber it with unnecessary filters and are prone to 'interpreting' the sentiments of those 'above' or 'below' to each other, creating conditions for wasteful politics.
- Get rid of extraneous activities. A tough review of each area's contribution to the new strategy will permit the shedding of unnecessary activities. Getting rid of peripheral activities also sends a clear signal about what is important.
- Look out for ways to cut out levels in the hierarchy. Cut activities rather than 'people', lest others assume the work still needs to be done and overload themselves. This stresses the importance of redesigning the organisation.
- Take measures of performance that matter and ensure that the data is used for decision-making by those who can directly effect changes.
- Use performance measures for quality purposes (and use quality analysis methodologies) rather than relying exclusively on numbers to manage (or attempting to manage). Management by numbers alone induces fear and diminishes competence - and virtually

guarantees behaviour focused on the short-term. Improvements in productivity come from a focus on quality; it does not happen the other way around.

### **Empowerment**

- Establish high performance work systems - teams which have full responsibility for production and quality, eliminating the need for supervisory management.
- Make information about performance freely available - question the need to keep any information confidential.
- Ensure that people have freedom to access anyone in the organisation in pursuit of performance goals. Horizontal and diagonal relationships should assume greater importance than the hierarchy for making things happen.
- Push decision-making down the organisation as far as possible. If good focus has been achieved and people understand how they are able to contribute, they will be best placed to know what to do to achieve exemplary performance.
- Ensure that systems and procedures help people to act rather than controlling or otherwise limiting their freedom to act unnecessarily.

### **Conclusion**

The driving force for any change is faith that a different future can be created. All tactical changes are evidence of the leadership's commitment to making it happen. The need for leaders to pay greater attention to process is paramount, yet much of their conditioning has not stressed it. The ability of leaders should be judged on their capability for thinking differently. Without a change in thinking, their potential will remain unfulfilled.