

Leading Transformation in Crisis

The pace at which the business environment is changing is unprecedented. The new normal is not going to be anything we recognize. To succeed in this context, leaders must be incredibly flexible and recognize that what they know to be best for the functioning of business probably remains true, but there are going to be trade offs.

CASE STUDY

Igniting performance - Part 1

When John Lundgren joined Stanley as CEO, the company was performing poorly and teams faced tremendous anxiety. He encountered a culture that was risk averse with a tendency to passive aggressive strategy between teams. John deterred the expectation that the management team needed replacing and instead spent his first 100 days getting to know them and validating the strategy.

He spent lots of 1-on-1 time with all 14 of his direct reports, mostly over dinner, to decipher the current state of the business, their views going forward, their competence, and the leadership culture overall. He let them talk under the expectation that they had a clean slate to do so.

01 Play to Win

Aim to be the number one or number two player in any business you're in. If you can't, and there is not a path to get there, get out of it. Be very disciplined about that otherwise everyone else will make money while you struggle.

Define your strategy in only a few words. Ensure that your teams have the same understanding of it.

"I could explain our strategy on a four-floor elevator ride. If you can't, you don't really get it."

- John Lundgren

02 Inspire with clear purpose

Spend time on people to make what you do resonate with their personal aspirations. Understand what people want to work on and align it with the purpose of your company. Meet your teams where they are.

Remind people of the nobility of manufacturing and the honor of building something. Glorify or raise the image of what it's like to work in an industrial operation.

Sell the culture and the mission to attract talent. Marry the two together to inspire prospective and current employees. Focus on the 'why' and invest time in getting people excited about the reason the work needs to be done.

Connect with your leaders up to three levels down. Mentor them through tough times and help to curb their isolation. Spend a lot of time on informal communications.

TEAM EXERCISE

Instill a program of “culture champions” - people assigned to managers or management teams who help promote the cultural behaviors that you seek.

Enable them with training and budget to use activities such as surveys, discussions, listening circles, education programs or Zoom exercises.

They need not be dedicated people. Find outgoing, personable associates who will encourage others to participate and follow the lead to cultural change.

If you have someone performing poorly, give them a new incentive and a different goal before deciding to release them. Performance may be highly influenced by context.

“It’s amazing how brilliant people can be if they are given the right direction.”

- John Lundgren

03 Empower people to do their jobs

Give people autonomy in how they get their jobs done. It will make room for creativity and reduce a fear of failure. Encourage people to take a risk if it's based on good information.

Get to know people and what makes them tick. Then, assign them correctly to tasks where they will be motivated to take responsibility.

Encourage diversity of thought and different ways of doing business.

04 Be values based and numbers driven

Empowered teams need to be held accountable. Agree to clearly defined qualitative and quantitative objectives that teams need to achieve. Link rewards to your desired outcomes.

“We have got to do it the right way. We're going to be measured both on our outcomes and how we achieve them.”

- John Lundgren

CASE STUDY

See yourself through others

John had 360 reviews done on every one of the executive officers, including himself and his COO.

He invited comments from fellow executive officers and a group of important stakeholders, service providers, and customers.

John felt it important to validate that the top leadership really was practicing what it preached.

Hold regular informal reviews and checkpoints with your teams. Ensure that people understand the consequences of consistently not meeting the objectives that they agreed to.

If something went wrong, seek resolution with three key questions:

1. What went wrong?
2. What did we learn?
3. What resources or processes need to change so that it doesn't happen again?

People don't learn from mistakes, but rather from reflecting on them.

05 Validate

Use employee surveys every 12 to 18 months to understand whether your message is being heard and acted upon. Validate what you're doing and that you're doing it right. Are people able to tell you that they understand the mission and purpose? If they are, reinforce it. If they are not, act on it.

Ensure that you have a follow-up plan in place before engaging in validation. If you do a large survey but do not respond based on the results, you risk losing the credibility of future studies.

PERSONAL EXERCISE

Track meetings as a way of monitoring pressure in the organization.

How many meetings are starting at 8:00 at night or before 7:00 in the morning? Who is leading those teams?

Hold them accountable

06 Lead the tone from the top

All leaders need to ensure coherence between what they say and what they do. Invite associates to give you feedback on whether the leadership team is being fair and understanding their needs.

In a business environment dominated by digital communication, be radically transparent with people to find the connection that you can't develop over dinner or lunch anymore. The new normal is likely to be a blend of the new and old world and the toolkits designed for the old way of doing business will need to change.

CASE STUDY

Igniting performance - Part 2

After establishing that the strategy at Stanley was strong and its leadership competent, John reduced the number of people reporting directly to the CEO and realigned their activities with their personal missions and that of the company.

After fourteen years, 8 of his 14 original direct reports were still with the company, 3 had retired, and only 3 had been replaced. John remained CEO for twice as long as the average CEO in the environment. During his tenure, revenues increased four-fold and market cap increased by a multiple of 7.

07 Foster apprenticeship

Mentorship can be a strong tool in attracting young associates back to the office and building the next generation of leadership within your organization.

Make yourself available and communicate clearly that you are. Take young associates out for lunch. Remind young talent that not being present is depriving them of opportunities.

08 Challenge and reward

Set huge challenges to keep people motivated. Intentionally give them specific objectives which, if met, lead to greater opportunities.

Give people something big and juicy to work on, make them want to show up and then celebrate their success. Hire from within to communicate to younger generations that top performance is rewarded.

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