Sense making: Don’t put your sensors on mute

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Purpose needs to be found not provided. Entrepreneurs, leaders, and managers are equally challenged by the increasing volatility, uncertainty, complexity, and ambiguities of their market environment. I learned that one calls this VUCA time.

Sense making is one of the techniques that helps organizations understand emerging conditions and part of every agile organization. It is the interaction mechanism that helps people find responses to the question that arises in almost every decision-making situation: what does that mean? Remember, it is called sense making not sense giving.

Here is what we have learned from 10 years of research on one of the 15 elements of the Leadership Scorecard from organizations across the globe:

What keeps you in the flawed leadership mode of not making sense?

Things to avoid:

- Prevent the collection of data that is not used. We often hear it: we have lots of data but no valuable information. Ensure that critical data helps employees to understand.
- Prevent feedback that does not make sense. Sense making relies on the high quality data and feedback that helps to

translate data into information.

What does it take for connected leadership to make sense?

Practices to promote:

- Use performance metrics to make sense. Well-designed performance metrics help people to raise their awareness for what matters – if they are not connected with goals.
- Choose your sense-making technique as a means to establish trust. It is communications and part of a trusted dialogue.
- Make decisions based on data. For delegated work – a requirement for knowledge people – information is essential for learning and superior decision-making.
- Provide feedback on outcomes. Learning from feedback heavily relies on sense making. So, simplify feedback and do not codify it.

What does it mean for your organization?

From the research leading to my new book, *The Performance Triangle*, I learned a couple of things about organizations that leaders should know:

- Organizations have a long way to go. While sense making positively contributes to a shared understanding, the differences among firms and leaders in using these techniques are huge. Not doing it means: the lack of sensors, the missing separation of signals from noise, and faulty feedback. We also learned that organizations with intangible products, e.g. banks and insurance firms have the largest gaps.
- Institutional sense making has room for improvement. When entrepreneurship gets replaced by managers and systems, then the lack of the direct influence of the entrepreneur needs the replacement through sense making. Too often, organizations introduce MbO when they mean sense making.

The result is distorted feedback.

How does your organization do on sense making?

How does it relate to culture? How does it enable your organization to cope with the challenges of a turbulent era and knowledge work?

Measure your leadership scorecard and manage your organization with the toolbox that caters to self-responsible knowledge workers.

About Management Insights

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