Solutions for management in turbulent times

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When the business environment changes rapidly, increasing complexity makes organizations inflexible and missing employee engagement threatens performance, then it is time for a stop: a pause for the management team to reflect, think and learn fast rather to embark on the next distorting change program or leadership quick-fix. The pause comes through diagnostic mentoring.

Traditional management recipes fail to provide guidance

Every year in November, 450 leaders, academics and experts from around the world gather in Vienna for the Global Drucker Forum (www.DruckerForum.org) to conclude that current managerial practices are ill-suited to cope with an increasingly fast moving business environment. Higher uncertainty challenges strategies more often and ambiguous signals make it more difficult to provide strategic clarity. Proven management recipes such as measuring, strategizing, planning, goal-setting and risk mitigation have lost their impact or interfere with the future-oriented leadership in many organizations. While the agreement among the Forum's participants is high on the need for 'The Great Transformation' from traditional management to people engaging management, the way to get there is far from clear. The

abundance of advice from consultants and writers with well-intended tips, ready best practices, and essential must do's fall short of showing how to get there fast.

Known fixes do not cure the causes. We need a new design.

When tight goals deliver more mediocrity, when narrow risk limits lead to faulty decisions, when rigorous performance management increases stress rather than performance, when intense communications still does not make sense, and when leaders hide behind emails, then likely self-made complexity has invaded the organization caused by increasing bureaucracy. The results are a slow, inflexible and fragile organization with an outdated design of management -unable to address the challenges of higher dynamics, more complexity, and increasing uncertainty. Experienced HR leaders know that traditional organizational development responses such as more executive education, yet another interfering chance program and more behavioral coaching fail to address these home-grown interferences. It is time for management with a new design –a design with a focus on people.

Vast unused potential –the need for a new set of principles

We know from ten years of research with over 100 companies worldwide that only 67% of the talent is effectively used in traditional organizations. In reverse, this means that one third of the creativity, the skills, the knowledge and the engagement of people is not used to full extent. It is quite simple: talent that is not used does not perform. In knowledge-based organizations this means missing innovation and growth. The cause is inadequate control-focused management. Control rather than engagement is a virus that spreads quickly. Moreover, in many traditional organizations, managers would simply fix the symptoms with more motivation with the result of more outside control. But, we know that the cure comes from addressing the causes –shifting managerial principles to a design for more self-responsibility, self-organization, purposeful goals, flexible engagement, and decision-making through collective wisdom.

The need for institutional reflection, thinking and learning

In engaging organizations, standardized recipes, people fixes and employee motivation simply miss the point. They increase distorting interferences, hence limiting performance. As every organization and leader is unique, the organizational context varies, and the specific situation always is different, there is no one size-fits all solution. It is only a pause for self-initiated individual reflection, thinking, and learning that provides help for the needed transformation. This is what we call Diagnostic Mentoring. It decodes the root causes of interferences and unlocks the potential of organizations with a new design of management.

Management Design builds on awareness, focus, choice and trust

Rather than to embark on yet another interfering change program, build the capabilities that help your organization to cope with turbulence, complexity and performance issues. As Peter Drucker once said, 'much of what we call management consists of making it difficult for people to work.'

Four steps help your organization to a new design –de-cluttering the organization by removing the viruses:

- Diagnose: the idea is to create *awareness* for the critical assumptions and principles. Diagnostic tools initiate deep reflection.
- Interpret: observation points help leaders to *focus* their attention on the potential and interferences. The conversation on what works initiates fast learning.
- Design: The task is to integrate your team's *choice* of model and capabilities and leaves the energy with the people that do the work.
- Develop: institutionalizing the new design is all about *trust* in people. More than not, your organization already has the

skills to lead with the new design.

As a result, decisions are made faster, the organization responds in an agile manner, it is more robust, and overall your management has a higher ability to act in turbulent times. *Management Design* is the pause for a new design at lower reduced cost and more time for what matters most: people!

About Management Insights

Founded by Lukas Michel, Management Insights draws on more than 25 years of research and practice to help people understand how their organizations work. The Organization Twin brings organizational patterns into view for reflection, dialogue, and informed choice.

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