

LEADING THE ROAD TO ECONOMIC RECOVERY

This paper has been prepared by Richard Fox, New Game-Plan's Learning and Facilitation Specialist. It provides a topical review of ideas for leading economic recovery. In particular, he emphasises the need to develop capability in networking and collaborative working. These are both areas in which New Game-Plan has particular expertise and provides extensive support.

Introduction

There is a growing recognition that as we come out of this recession we will not return to 'business as usual.' Instead the economic, social and political landscapes will have changed for good. For example:

- For the foreseeable future, economic conditions will continue to be tough, with further business failures and perhaps social unrest.
- Through their hunger for learning and advancement, China and India will become more of an economic threat as they create high-wealth businesses in high-technology and financial services.
- New business models will be needed in both the public and private sectors.
- Employees will expect to be led, managed and rewarded more effectively.

Against this background, the key topics for business and political leaders to consider are:

1. Harness people's talents and strengths.
2. Embed creativity and innovation in the corporate culture.
3. Radically improve employee job satisfaction and commitment.
4. Rethink the organisation's values.
5. Succeed in the knowledge economy.
6. Enhance skills in personal leadership and in working together.
7. Sustain the individual, the organisation and the environment.

I recognise that points 1-7 overlap and to a great extent are interdependent.

1. Harness People's Talents and Strengths

As the economy picks up, one of the key business challenges leaders will face will be to identify and develop the talent within the organisation, not only to retain key players but also to stay ahead of the competition.

To meet this challenge successfully, organisations will need to create and sustain an environment where 'valuing and developing talent' is second nature; where it becomes an embedded part of the culture of the organisation.

To support this view, a recent survey by PricewaterhouseCoopers of 735 managers found that 70% were looking for greater meaning and purpose in their working lives. This should prompt questions such as:

- What do employees want out of their time at work?
- How can we help all employees identify their talents, strengths and gifts and use them to the full?
- What can we do to develop the key players and ensure smooth succession planning?
- What else do we need to do to create and sustain a Talent Valued Culture™ and become an employer of choice?

2. Embed Creativity and Innovation in the Corporate Culture

With the rapid technological and societal change that we are experiencing, there will be a continuing need for organisations to differentiate themselves and add value. This will require creativity and innovation in all parts of the organisation. The over-arching question seems to be 'What needs to happen at the personal, team and organisational levels for creativity and innovation to be a natural part of our every day activities?'

Subsidiary questions could include:

- Is our business philosophy still relevant?
- Are we using the most appropriate business models?
- Where can we reduce costs without reducing customer service?
- How can we enhance customer service?
- How can we capitalise on the growth of the emerging economies?
- How can we increase our product range, our market share and our brand recognition?

3. Improve Employee Satisfaction and Commitment

A recent survey in the USA found that job satisfaction was down to 45% from 61.1% in 1987 and the lowest for two decades. Nearer to home, The Chartered Institute of Personnel and Development surveyed 2,144 UK employees in December 2009, across the private, public and voluntary sectors. They found that job satisfaction has dipped to a score of +35 from a score of +46 nine months ago.

One third of the employees in the survey said that they do not feel that their immediate line manager treats them fairly, is not supportive if they have a problem, or does not listen to their suggestions. It does not come as a surprise then to read that a third of the employees do not feel committed to their organisation.

In many organisations the recession has forced a change of culture to one of survival. Our discussions with senior leaders could go along the following lines:

- What kind of corporate culture do you need to put in place to:
 - Speed up the rate at which your organisation emerges from the recession?
 - Engage employees so that they willingly invest their 'discretionary effort'?
 - Succeed in the new business environment and become an employer of choice?
- How might this culture best be defined, implemented and sustained?

4. Rethink the Organisation's Values

In previous recessions, one of the dangers organisations faced as the economy picked up was the loss of their best employees to other companies. This was mainly due to the fact that these staff or their colleagues felt they had been treated badly by their organisation and/or their formal training and development had been neglected.

The CIPD survey referred to earlier stated that nearly a quarter of employees said they were currently looking for a new job, while nearly four in ten said they would ideally like to change jobs in the next year. Therefore, unless companies take rapid remedial action, it seems that, over the coming months, companies will face a similar exodus of the best people as before, and in some cases this will precipitate the death of the organisation itself.

Some of the early development activities an organisation is encouraged to act on are to:

- Recognise that it is very difficult for the competition to copy our culture
- Rethink our code of values and behaviours and ask such questions as:
 - Why is a code of values and behaviours important to our future success?
 - Which values are critical to our success?
 - What do we mean by a value? For example, is 'teamwork' a value or an outcome of values such as 'fairness' and 'respect'?
 - How can we engage all employees in the process of creating a new code of values and behaviours?
 - How will we integrate these values and behaviours in all aspects of the organisation's activities?

5. Succeed in the Knowledge Economy

One of the quotations I use frequently is: '*The only way for your organisation to sustain its competitive advantage is to ensure your organisation is learning faster than the competition*' (Arie de Geus, formerly Head of Strategic Planning, Royal Dutch Shell).

This prompts the following types of questions:

- To what extent do we believe that this statement is true in our context?
- What needs to happen at the personal, team and organisational levels for learning, knowledge and ideas to be transmitted easily across the organisation?
- Is 'collaboration' one of our core competences?
- How can we make our relationships with our major customers and suppliers more 'open' so we can exchange knowledge more readily with them?
- What would be the business pay-off of encouraging our top experts to set up structured networks with their counterparts in other industries and in academia so as to enable us to exchange knowledge and insights with a wider range of specialists?

6. Enhance skills in personal leadership and in working together

In today's fast-changing environment it is essential that employees are able to operate effectively on their own. This is a prerequisite for being an effective contributor to a team, let alone working across different functions and with other organisations.

Again, while many professionals develop satisfactory working relationships with their peers within their own organisation, all too often they can be found wanting when challenged to work collaboratively with people having different working styles, values and cultures.

7. Sustain the Individual, the Organisation and the Environment

The majority of employees state that they are under too much pressure and I wonder if our current working practices are sustainable over the longer period. Could some of the exercises mentioned in earlier sections be expanded and considered under the theme 'What the sort of organisation do we want to create to manage the inevitable ebb and flow in the world economy and the continuing need to do more with less'?

Questions could include:

- What inspired the company in its initial years? How would we describe the company's original DNA? What has been lost that we could choose to recover?

- Which activities energise us and which activities drain our energy? What choices do we have about the latter?
- How can we make this organisation carbon neutral? Where shall we start? Who will lead and sustain the project? How will we reward achievements?

Footnote: Perspective of Organisational Development ('OD') Managers

I asked two OD Managers 'What are the major challenges of your role?'

The replies were:

- A change in culture takes time (2-3 years). Throughout you are continually having to convince the business of the financial benefits of L&D/OD
- Maintaining relationships with stakeholders
- Getting succession planning back on the agenda[due to redundancies there are succession problems in this person's company
- Managing continual uncertainty and still be able to inspire people
- Doing the difficult side of the job i.e. 'letting people go'
- Importance of collaborating and building learning communities
- How do I maintain my own energy levels and inspiration?

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