C-SUITE MANAGEMENT SERIES – SEGMENT 3

To Ask For Employee Input Or Not - How Many Times You Have To Play Solitaire Before You Win

My mother loved to play solitaire. One day I was preparing for a meeting with the entire organizational team regarding some major strategic initiatives that were going to be launched. I knew that for many, these initiatives represented significant change.

From experience, I struggled with how to best address such a large crowd, all of whom had the underlying potential for second guessing, push-back, and anxiety. That is when I remembered my mom's love for solitaire and how solitaire might help me with my dilemma. After all, solitaire is easy to understand and almost everyone I know has played it.

So, I started my meeting by pulling a deck of cards out of my pocket. After proceeding to remove the deck of cards from the box, I asked the team - "How many times do you think you will have to play solitaire before you win?". As you might expect, the responses I received were all over the board, and the rationale I received from some of the team members was very logical.

At that point, I proceeded to pull two aces out of my pocket and told them that the correct answer was - "You will never be able to win at solitaire with this deck of cards. You are missing two of the aces".

Then I explained the following:

1. Rarely does anyone in an organization have all of the cards in the deck. So, if you second guess the decisions, or push-back on the direction being taken, please do so knowing your conclusions are almost certainly based upon missing some of the cards in the deck.
2. While as a Chief Executive, I am probably in the best position to have all of the cards in the deck, it would be a mistake on my part to not be open to your feedback that might, in fact, provide me cards I might be missing. (As a side note, my mother always assumed she might be missing cards and counted the cards in the deck before she played her first game).
3. Therefore, I will try to provide as many cards to you as possible as long as it does not jeopardize confidential or strategic market information.
4. In return, I ask that you remain open minded, committed to a successful execution of our direction, and by all means, provide me with feedback on any cards you feel I might be missing from my deck.
5. However, while I truly want everyone's feedback and input, please do not loose commitment if that feedback does not appear to you to have any impact on the decisions or process. There are almost for certain some cards you will be still missing, but that does not mean your continued commitment and feedback is not important.

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As C-Suite executives, we all have inherent concerns about sharing information with our team:

A. Is there a real benefit to sharing information and soliciting feedback and if so, what is it? If I share information, will my audience understand it fully enough to provide the feedback and commitment I am looking for?
B. How do we avoid giving away confidential or strategic information and yet still obtain the feedback and commitment from the team that is needed for a successful execution?
C. How can I address the impacts associated with second guessing and push-back from my team?
D. How can I address the impacts on my communications of the ever-changing environment taking place within the organization? For example, how do you efficiently and effectively keep everyone in loop, and, what are the possible impacts of the use of outdated information?
E. How can I address the impacts associated with the anxiety associated with the changes that will take place?

Before we focus on specific recommendations regarding organizational communications in a world of the continuous blending of strategic initiatives with day-to-day operations (see Segment 2 of this Series), I would like to review some of my observations and experiences regarding the above C-Suite concerns:

- Whether we like it or not, observations, interpretations, and discussions amongst the staff in the organization are constantly taking place. Unfortunately, as in my solitaire example, much of this interorganizational chatter is almost for certain based upon missing cards from the solitaire deck.

  However, having communication just to meet some sort of perceived communication requirement or as an attempt to discredit the normal organization chatter that is taking place is not a very productive objective.

  Successful communication supports the execution of strategy that results in improved organizational performance. It is not convincing everyone that what you are doing is right.

  Therefore, the objective for the C-Suite should be to focus the communications, and the disbursement of information and data, towards the critical issues and initiatives you are trying to address. You do not need to try to control the narrative and direction of all of the conversations occurring in the organization, just those conversations that are the most relevant for the support you require. Besides, contrary to what many believe, there is rarely any value in providing unnecessary or irrelevant information which can often times, actually become counterproductive.

  Many studies indicate that money is not always the number one driver of an individual's satisfaction or engagement. Having a feeling of accomplishment, recognition for achieving something, and working with others towards a successful outcome are often viewed as more significant than just pay. Therefore, communications centered on these desires of achievement, recognition, and working towards a common objective are the best way to obtain the engagement you are looking for.

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Finally, there should always be an attempt to make communications as understandable as possible. Unfortunately, that will not always equate to a clear understanding by all of the staff at the individual level.

However, this fact helps us recognize the power of the **Continuous Blending Of Strategic Initiatives With Day-To-Day Operations** and use of **Feedback Loops** methodology described in Segment 2 of this Series (Reality of Strategic and Operations Integration and An Introduction to Feedback Loops). Feedback Loops and the blending of strategic initiative activities with day-to-day operations provide a continuous communications vehicle. A vehicle that not only helps recognize and address a lack of understanding, but also uncover potential unknown issues and opportunities.

- When discussing confidentiality, there was an interesting case study presented on the History channel. It described how, while Post was the original developer of the pop-up toaster pastry, due to the length of time Post had to execute the launch of their product, the Kellogg's pop-tart became the actual market leader.

  We will discuss in other Segments in this Series including Segment 5 (Strategy Development - Predicting and Controlling Risk Versus Texas Hold 'em) and Segment 6 (What You Missed In School – Challenges of "When Not If" / Functionality Tradeoffs / Workload Hump Theory), how time of execution is a critical factor in obtaining successful strategic executions.

  Therefore, for our purposes here, we need to recognize that the shortest execution time possible is your best weapon against the risks of maintaining confidentiality and obtaining a strategic market execution advantage.

  We also need to remember; nobody can be 100% trusted and there is always risk from unintentional actions. There is always the risk of staff turnover and as in the Post/Kellogg's example, unintentional miss-steps. Even confidentiality agreements in today's environment often represent limited protection. **Speed of execution will always be the C-Suite's number one defense against these risks.**

  Another observation is that almost everyone understands that certain things are confidential (as the saying goes – "above my pay grade"). Therefore, a simple "I really cannot discuss that" is almost always sufficient.

  However, that does not mean that staff communications need to be non-existent. Instead, if there is a high degree of confidentiality surrounding a given strategic initiative, time must be committed to analyzing the initiative for both A) what is and is not confidential and B) where in the execution process the greatest risk of exposure exists. Beneficial communications can then be tailored to reduce or eliminate the confidentiality risks.

  Finally, a pragmatic approach to confidentiality needs to be had. To some, almost everything is confidential. It is not uncommon for information to be treated as confidential because it gives the holder a feeling of power, when in reality the sharing of this information would be beneficial to the accomplishment of an organization's performance.

  I tend to find that people want to know status and not necessarily all the specifics. They want to know what worked and what did not work, and <u>how their efforts</u> made a

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difference or can make a difference. Unless there is some sort of incentive system associated with financial information, they are more likely to be less interested in if the organization made $50,000 or $500,000 and more interested in how their organization is performing compared to its' competitors, or how successful was their involvement in that last initiative to increase sales or increase delivery of product.

Bottomline, much of the stress related to the communication of confidential information can be reduced by 1) executing confidential initiatives as fast as possible, 2) be realistic what is and what is not confidential, and 3) a FOCUS on communications required for staff motivation and involvement in successful execution of strategy that results in improved organizational performance.

- Besides the inherent nature of organizational chatter, there are three drivers of second guessing and push back.
    - The first is because there is a lack of information. This creates an actual or perceived potential for an impending negative impact on those that are second guessing or pushing back. The best way to address this situation is to provide the accurate information required and to have open communication about the concerns being presented. (See the discussion on Anxiety below)
    - There is a subtle type of second guessing and push back that I like to refer to as Passive Resistance. Under this situation there is no outward or aggressive posture towards the efforts. Instead, there is a lack of engagement and minimal to no effort to support the required activities.

      Interestingly, this often occurs with individuals that are considered good and quality performers. They take this approach because they are very busy and have seen a history of so many projects that are initially claimed to be important, but ultimately just go away with no success and little to no ramifications. Therefore, because of their workload, they take a "wait and see" (Passive Resistance) approach which does not outwardly appear to be a lack of support, when in reality, they are sitting back to see if it is just another flash in the pan.

      Once again, this situation can be resolved with the Continuous Blending Of Strategic Initiatives With Day-To-Day Operations methodology described in Segment 2. In this case, success breeds engagement.

    - There are sometimes individuals that will not positively engage no matter what or how you attempt to solicit their support or involvement. These can be both good and poor performing individuals and can be the result of any number of reasons including a) a desire to just do their job and that's all, b) work/life balances, c) just having a bad attitude or having a job they have no real interest in.

      Often the best way to handle these situations, especially for those good performers, is to communicate that a lack of involvement in their case is acceptable, but push back or a lack of needed cooperation or acceptance of following required procedures will not be acceptable. As with the discussion on Anxiety below, it is also a good idea to still have open dialog, provide information, and at least review their position to make sure there are not missing conditions that should be taken into consideration.

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No matter how great you believe the content and structure of your communications are, you will rarely, if ever, get 100% buy in or belief in your intended message. But 100% buy in is not as important as your ability to positively reach those resources you believe are most critical for the success of your objectives.

In addition, rarely is participation by everyone in the organization important for accomplishing an initiative. Therefore, try to focus the communications relative to specific initiatives towards those resources that are most critical for success. This does not mean there is not value in informing the broader organization in general terms what is happening. Afterall, there might be someone you are not aware of with a card you are missing from your deck. However, a lack of communications with those that you know might be critical for success would be very unfortunate and therefore, should be the focus of your communications effort.

- By now you can already surmise what I will say about staff communications in a world of changing environmental dynamics – embrace the power of the Continuous Blending Of Strategic Initiatives With Day-To-Day Operations and Feedback Loops methodology. The ability, tools, and methods to harness this power is detailed in Segment 8 of this Series (Putting It All Together – Dynamic Execution).

- As discussed in Segment 5 of this Series (Strategy Development - Predicting and Controlling Risk Versus Texas Hold 'em), anxiety is often a hidden risk factor to a successful execution. I have observed how a lack of understanding, discussion, and consideration of anxiety by the C-Suite can be a major contributor to difficulties in the execution of strategic change. It can also lead to missed opportunities relative to staff involvement and productive input. Unfortunately, this is probably driven by the perception that anxiety is a naturally occurring complex issue that needs to be left to the professionals.

  Fortunately, there are simplified concepts that when understood, can improve the C-Suite ability to address some of this anxiety while at the same time even finding positive opportunities. To start, we need to look at some drivers of anxiety.

  - Significance – The greater the level of significance a change represents, the greater the level of potential anxiety that will exist. For example, changing a process that could impact on-time shipment of product to your largest customer will create far more anxiety than the change in a process associated with the daily removal of trash from office receptacles.
  - Difficulty - We need to recognize that no matter how you want to personally define difficulty, the more difficulty you have associated with a change the more likely you are to experience anxiety. For example, a change requiring communication in multiple languages is more difficult than a change where you are able to communicate in a common language.
  - Control – We are more likely to experience less anxiety when we are in control as opposed to when we are not in control. For example, using staff that are directly under your control to accomplish a critical change that you are responsible for will generally produce less anxiety than having to rely on the staffing under someone else's control.

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In addition, a lack of control can also be associated with the unknown. Even though a change might be fairly simple, if a change contains a lot of unknowns, the unknowns create a feeling of a lack of control. This then increases the potential for anxiety. For example, offering a product or service for the first time represents contending with many unknowns compared to providing a known product or service. All of these possible unknowns associated with these new efforts greatly increases the potential for anxiety.

- It is also important to realize that significance, difficulty, and control are not just individual characteristics but are, in fact, dynamics that can be interacting with each other relative to the same change. For example, a change can be very significant, but if you believe that you have a great deal of control over the event, then the anxiety that might otherwise exist can be tempered or even completely negated.
- Finally, we must recognize that at the heart of anxiety is the realization that based upon prior experiences, no matter how a change is executed, there is no guarantee that execution will be successful. In addition, if it is successful, there might be some negative ramifications. If change were guaranteed to always take place with no negative ramifications, then there would be no reason to have any anxiety. However, through experience, everyone recognizes that change with no negative ramifications to them is difficult to guarantee.

  Through these experiences, an understanding of the ramifications and affects associated with significance, difficulty, and control are developed. Therefore, an inherent defense mechanism in the form of anxiety is created.

From a C-Suite perspective, when considering the structure and content of staff communication, there is benefit to the understanding of the potential for, and basis behind, anxiety within the organization. Through this understanding, communication structures can be tailored to **preemptively** address expected anxiety hot spots. They can also be used to help in an analysis of the drivers and conditions creating anxiety which might represent critical factors (i.e., unknown missing cards from the deck) that will need to be address during the execution process.

In the end, having a handle on the understanding of anxiety will improve the potential to avoid issues and obtain a successful execution.

Using these observations and experiences as background, we can explore some actual C-Suite concepts and tools to use relative to staff communications that support the Continuous Blending Of Strategic Initiatives With Day-To-Day Operations and Feedback Loops Methodology.

Obviously, the mode and person presenting the actual communications will depend on the size of the organization along with the subject, type, and significance of the message. The key is not so much the what, who, and where of the communications. The key is that the communications are consistent with the C-Suite incorporation into the organization of the Continuous Blending Of Strategic Initiatives With Day-To-Day Operations and Feedback Loop Methodology.

Note - Segment 4 of this C-Suite Management Series (A Truly Integrated HR Management System for A Dynamic World) will explore individual level communication and strategic initiative participation strategies as part of the organizations HR Management and Evaluation System.

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So, what are some key C-Suite concepts and tools for staff communications that support a Continuous Blending Of Strategic Initiatives With Day-To-Day Operations and Feedback Loop Methodology:

1. Establishment of Feedback Loops –
    a. Feedback Loops are bidirectional feeding information down into the organization regarding strategic change drivers, assumptions, and goals while soliciting information up through the organization regarding actual existing conditions, status of activities, and the monitoring of assumptions.
    b. Feedback Loops need to be continuous in order to obtain a constant ongoing process of blending strategic initiatives with day-to-day activities. A continuous commitment also communicates a seriousness about the ongoing importance and commitment to everyone's efforts and involvement.
    c. **Feedback Loops represent a communication structure that are more than just special meetings or occasional updates but are instead integrated into normal daily activities. Individuals must be made to realize that the success of the organization requires ongoing top-to-bottom improvements to operations which in turn, are dependent on the ongoing successful execution of strategic initiatives. Therefore, their responsibilities will need to include both strategic execution, monitoring, and feedback responsibilities in addition to day-to-day operational responsibilities.**

       Obviously, the balance between the level of these two responsibilities must be defined by the organization and can change based upon the specific activities taking place at any point in time. This balance can and will vary by the position and individual within the organization. Generally, there is a shift towards greater strategic responsibility the higher up one goes on the organization chart.

       In the ideal, the objective is for Feedback Loops to become seamless so that all staff come to feel that at some level, participation in strategic execution is a normal part of their job while still supporting a balance with their other daily operational activities.
    d. Feedback Loops should be nonthreatening so that participation is in a positive context that fosters a desire to contribute and be engaged in improving organizational performance.
    e. Feedback Loops should be factual and open to communicating both positive and negative information along with accomplishments, missteps, and reasons behind changes in direction. (Like it or not, staff will quickly see through information that is filtered or inaccurate)
2. Guide and look for opportunities that make the most sense for a given individual's participation. Once again, Segment 4 (A Truly Integrated HR Management System for A Dynamic World) will provide more guidance in these efforts.
3. Foster a communication structure that allow staff to embrace C-Suite objectives, receive personal satisfaction out of success, obtain a feeling of achievement, and of being a part of a group.
4. Focus the ongoing integrated communications structure towards the critical strategic issues and initiatives you are trying to address. Again, a successful communication

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structure supports the execution of strategy into operations that results in improved organizational performance. <u>This communication structure is NOT meant to be confused with or to replace other mandatory or desired staff communication.</u> As already described, it is meant to be an integrated blended strategic/operations communication structure that produces successful execution of C-Suite objectives and enhanced organizational performance.

5. The Continuous Blending Of Strategic Initiatives With Day-To-Day Operations Methodology is envisioned to support a multi-initiative environment and not just oriented towards one-off initiatives. In Fact, Segment 6 (What You Missed In School – Challenges of "When Not If" / Functionality Tradeoffs / Workload Hump Theory) describes in more detail some of the benefits of a multi-initiative environment approach. Therefore, the communication structure should be viewed as consisting of a multilevel of communications simultaneously taking place but all still focused on the blending of strategic and operational efforts.
    a. Level 1 - At the highest level is communications that lay the groundwork for the what and whys of the C-Suite initiatives the organization will be embracing moving forward. It is intended for a more global audience. The objective is to lay the groundwork that informs the staff what will be happening, why, and to let them know there will be a need for their support and possible engagement. These communications provide an opportunity to create a global feedback loop where information is fed downwards to the staff as an introduction to the challenges and objectives of the organization while providing an opportunity to the staff for the upward flow of input and reaction. In other words, it is the "heads-up" communications with an opportunity to receive "have you thought about this", or, "should there be a concern about that" from the staff.
    b. Level 2 – These communications are at the development, launch, and conclusion of a specific initiative or set of initiatives. They are oriented towards those areas and individuals in the organization most impacted by the initiative(s) and/or who's engagement in the initiative(s) is important. These communications can also be viewed as an initiation of the specific feedback loops for each given initiative.
    c. Level 3 – These are the ground level execution communications of a given initiative. They represent a continuous feedback loop regarding the monitoring and control of the status, assumptions, and conditions related to a specific initiative.

    As you can see, this multilevel set of communications supports the simultaneous execution of multiple initiatives. While care must be given to workload balance and the potential for strategic initiative overload (see Segment 5 & 6 of this Series), a successful blending of the execution of strategic initiatives with day-to-day operations assumes some level of simultaneous strategic executions.

In conclusion, here is an example of what a set of Level 2 communications might look like:

<u>Communication at the launch of an initiative -</u>

We believe our competitors have a lower cost structure increasing their market share compared to ours.

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In an effort to make ourselves more competitive and increase market share, we have a series of ongoing initiatives we are launching that we expect will increase our throughput by 20%. The first initiative will be the introduction of a new process.

While the implementation will require participation throughout the organization, we recognize there might be some additional anxiety in Department X given that is where the focus of many of these initial changes are taking place.

We believe we have developed a good action plan but as always, while there might be limits to any adjustments we can make, we are looking forward to your feedback and any concerns you might have.

As a part of this action plan, we have created a number of critical factors that will need to be continuously monitor and will be soliciting your assistance in these efforts.

Our goal is to start these initial efforts on August 10 and have the implementation completed in three weeks at which time we will discuss follow-on efforts. As always, please let us know if you see any opportunities to shorten this timeframe or improve the plan.

We intend to provide everyone involved continuous feedback on the progress of these efforts and will be requiring and appreciate your ongoing feedback and support.

<u>Communication at completion of the execution –</u>

We have completed the project and have already experienced a 5% improvement in throughput.

I want to thank everyone involved, especially Department X and Sandra AAA for helping us maintain our targeted launch date. I also want to thank Jim BBB for input that allowed us to improve the process we have implemented.

Our next project to help improve our ability to compete with our competitors is expected to start on _____. We are once again creating an action plan including critical factors that we will need to monitor. As a part of developing the action plan, we will be reaching out to some of you for your feedback and involvement. Once again, your continuous support and feedback is greatly appreciated.

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