

3 common challenges

Modern day Organisations face



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We are in the business of growing people and transforming organisations.

Working on various continents around the world, our role is to help our clients develop their leaders and people at all levels within their organisation and to assist them in devising strategic plans to help them move forward.

Over the years, we have realised that regardless of the size of the organisation in which we work or the sector in which they are operating, there are three common challenges that most organisations face - all of which affect their ability to meet their key business objectives.

1. Ineffective leadership and a lack of organisational direction
2. Unstructured, ineffective communication processes that leave people uncertain and confused
3. Ongoing conflict that affects performance.



Ineffective leadership

We work with all kinds of leaders – competent, focused, disorganized, disinterested and incompetent - and there is a clear distinction between those with passion, vision and the necessary resources to lead well, and those without.

Whilst many organisations set a generous budget aside for developing their executive or senior leaders, research informs us that the most impactful organisational leaders on a daily basis are those down the line – at the coalface.

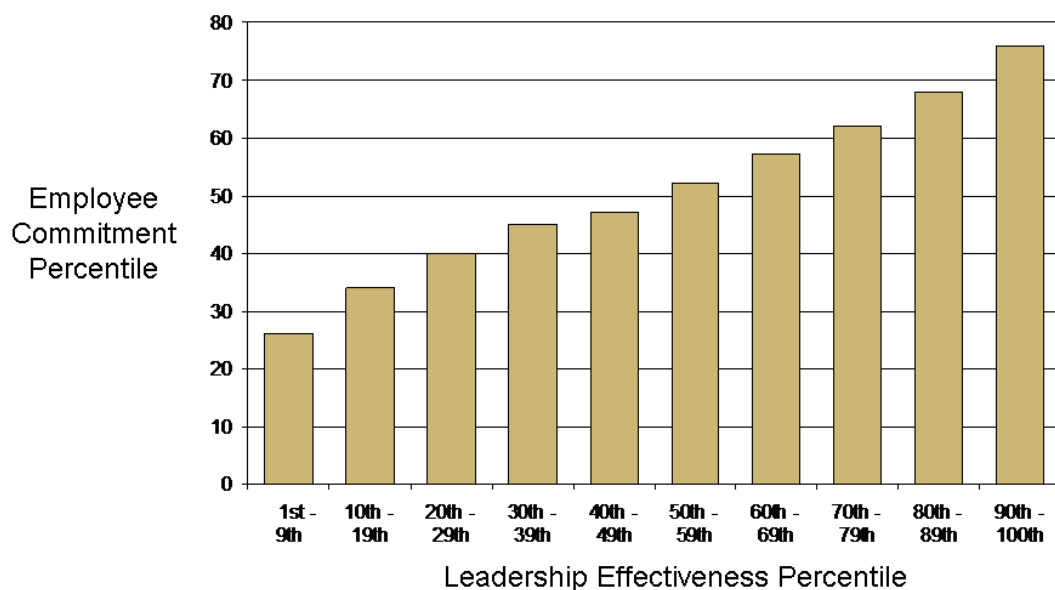
The many thousands of team-leaders and supervisors whose role it is to deal with daily issues that arise, including operational challenges and managing human resources. More investment needs to be assigned to developing this leadership level in every way – time management, presentation skills, creating effective interpersonal relationships and how to have ‘difficult conversations’ successfully are some areas of importance. This leadership level is critical in any company and more attention needs to be paid to their ongoing development and competence.

It has been said before and needs saying again: the only way, when running a company, to be more profitable, is **THROUGH** people. If you don’t get the leading and managing people right, over time there is no organisation!

Effective leadership = employee commitment = productivity and profitability

Effective leadership is directly correlated to employee commitment. Committed and energized people are more productive, raising the organisations profitability.

Consider the chart below. The leader on the left has people who are less committed and engaged in their work, whilst the leader positioned on the right hand side of the graph has employees who are highly committed to work designated to them. The productivity implications of these different employee commitment levels are enormous and have significant impact on the organisation's profitability over time.



Source: <http://zengerfolkman.com/how-leaders-affect-productivity-during-march-madness-otherwise/>

Example: We are working with a huge organization that is struggling to adapt to changing times and sustain profitability. We asked the 13 members of the Board of this company a simple question: 'What is the Vision of your Organisation?'

Some stumbled, others attempted to answer the question, and the remainder remained silent. Not ONE of them knew the Vision of their organisation.

If there is no **Vision** (I wrote about this in a previous issue of **The Fiji Sun**) people will not know where they or going, or when they will get there. Yet consistently our experience is that many leaders have little or no real idea about the values or vision of their organisation.

Comment: Leadership is an art. A skill. It is the act of moving and guiding people forward, collectively, with a keen focus on strategy, relationships and getting the job done. Leaving the leadership of your organisation to 'chance' is a dangerous strategy.

Some Solutions:

- Know exactly what your organisation's vision is and share it with EVERY person in the organization.
- Equip leaders at all levels of the organisation with the necessary skills, competence and theory to know how to motivate, influence and lead others.
- Place particular emphasis on leaders down the line.
- Implement a coaching or mentoring programme to partner less experienced leaders with those who are more competent, to help them gain valuable on-the-job experience and learn how to deal with organisational issues effectively.
- Ensure they (and everybody in your Company) have detailed job descriptions, key result areas and clearly understood measurement indicators that assess performance outcomes.

Poor or ineffective communication

This is a common and reoccurring problem. Data is not shared, information is not exchanged, tasks either don't get done or are incomplete due to miscommunication, people get confused and frustration heightens.

The more layers there are in an organization, the more complex the communication as it has to permeate through additional layers to ensure everybody is in the 'loop.'

The impact of poor workplace communication on an organisation's effectiveness is high and includes poor customer service, failed project delivery, higher litigation costs, lower shareholder return, a greater incidence of injuries, increased employee turnover, more absenteeism and lower profitability.

Source: <http://www.businessperform.com/workplace-communication/poor-communication-costs.html>

Examples: A meeting is called to discuss a particular project, but key stake-holders in the project are not invited to the meeting. Another example is when a client requests for a particular product to be delivered by a specific time, but because the person who took the call forgot to mention it to the delivery person, the product arrives a day late. A third example is a deadline is set for a meeting but half of the relevant people don't receive the email. The list goes on and on.

Comment: People are busy. Work can be stressful. Everybody has their own outcomes on which to focus and deadlines to adhere to but in the process, often there is little thought given to the importance of timely and effective communication. Poor time management, insufficient planning, not dealing with

stress well and feeling overwhelmed are typical examples as to why effective communication in organisations is either compromised or non-existent.

Some Solutions

- Understand where communication is effective in your team/organization and where it is not
- Identify blockages that affect communication and work out ways to reduce or eliminate them
- Involve your people in solving the communication problem
- Upskill all your people in communication strategies and how to reduce workplace conflict
- Implement strategies to enhance communication such as a monthly team briefing process (a consistent message that is devised at executive level and sent down the organization, each month at the same time, informing everybody about what is happening in the organization.)
- Create a cross functional team (representatives from each department) that meet regularly to improve communication, organize events such as Open Days and social events to reduce organizational silos and improve communication
- Ensure meetings are held promptly, on time, with key objectives and outcomes attached to each
- Distribute a monthly newsletter to all staff that includes latest movements, customer details, new products, organisational successes and challenges

Ongoing Conflict



We are all different. Different backgrounds, belief systems, values and ways of doing things. With this often comes a lack of tolerance of diversity and patience with others who are different to us, or approach their work in a unique way. The 'silo mentality' creeps into some organisations, where people in one department view those in another as foreign, 'enemies', not to be trusted. Marketing has animosity towards Operations, who want nothing to do with Finance. Silo's become more entrenched and an organisation that should be working together starts working against itself. It happens time and time again.

Whilst the conflict continues and departments work against each other, the organisation struggles to meet its objectives, productivity is compromised and profitability becomes the main victim.

Example: A shoe manufacturing Company is scheduled to make 600 pairs of shoes a week. The Operations Manager and the Sales Manager meet to discuss the manufacturing and selling of these shoes and are in agreement that 600 is the ideal number of pairs of shoes to make each week for the next month. The Sales Manager omits to tell his sales staff that they only have to this amount and so, because they have no idea how many need to be sold, they sell 300 pairs less than they should that month. Frustrations run high. The Operations Manager blames the Sales Manager, who blames his sales staff for 'not listening'. The real victim is the organisation as it loses money. Jobs are at risk.

Comment: The real issue is a lack of follow-through and thorough communication between a leader and his people. Perhaps he forgot, or ran out of time, or thought he had spoken to his sales team. Either way, the lack of communication resulted in a major issue for the organisation.

A 2008 study done on Workplace Conflict in the USA found that employees spent 2.8 hours per week dealing with conflict. This amounts to approximately \$359 billion in paid hours (based on average hourly earnings of \$17.95) or the equivalent of 385 million working days.

That's a lot of time spent gossiping, protecting turf, retaliating, recruiting people to one side or the other, planning defenses and navigating the drama. More importantly, that's time not spent answering customer questions, filling orders or doing the job employees were hired to do.

Source: <http://www.entrepreneur.com/article/207196>

Some Solutions

- Recruit right
- Create a 'can do' culture of collaboration and support in your organization
- Organisation cross-departmental forums or opportunities for people to move across departments
- Upskill your people so they know how to deal with workplace conflict effectively
- Create a cross-functional team to organize events to which everybody is invited, such as an Open Day of the Organisation or factory
- Get each department to compile a Code of Conduct (everybody contributes to theirs) so that every team and person in the Company is aware of the types of behaviours that are acceptable
- Lead by example

Conclusion

These three challenges outlined in this article are not exhaustive. There are other challenges organisations face on a daily basis, but unless these three are deemed the most important to regularly pay attention to, the organisation will struggle or achieve mediocre outcomes, at best.

What do you need to focus your attention on in your business to ensure overall strategic success?