

Being the Compass in the Fog of Uncertainty



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Whether or not we accept it, the knowledge and skills that got us where we are today are not always the ones that will get us to tomorrow. This has never been more true as we find ourselves navigating through the current fog of uncertainty that has settled as a result of Covid-19.

As we head into the next few months and years, one thing is certain – there is no recent, direct precedent to help guide us through today's uncertainty. The current operating models and processes that have worked well for us until now may not be what is required for future success.

CHANGE LEADERSHIP AND KNOWING YOUR 'TRUE NORTH'

Leading an organisation through the fog will require knowing and understanding your 'True North', beyond your published strategies or statements of intent. Like most seemingly simple things, this isn't always easy. But if the executive team is very clear about the organisation's purpose and direction, and this is well understood throughout your structure and operations, the myriad of day to day decisions, and work of the organisation are more likely to align with your goals.

In order to become better equipped to lead your organisation through change, there are three key ideas you, as an effective change leader should know and manage;

1. Avoiding optimism bias
2. The ability to change course rapidly (and effectively)
3. Having an appropriate appetite for risk

AVOIDING OPTIMISM BIAS

Optimism bias is crippling for organisational change and investment. We take on too much, we don't commit sufficient time or resource and we set expectations with our stakeholders that can't be met.

We have observed this in many organisations for many years and we expect it will be much worse now. As a result, priorities aren't clear, there's lots of activity, but often not a lot of real progress towards genuine, enduring change or performance improvement.

In our experience, many executives have an over-reliance on the knowledge and experience of the executive team members and the reporting provided is drawn from a narrow range of sources. When you don't have a lot of time to do deep analysis or develop a significant 'insights' function, there are some relatively useful things you can try:

- ▶ Pick up the phone and talk to other executives who have been there, done that, to test your thinking.
- ▶ Talk to key stakeholders who are likely to hold a diverse range of views (again to test your thinking).
- ▶ Ask your people to do a literature search on what's gone wrong (or right) for other similar investment decisions.

Engagement with your key stakeholders, particularly those with differing views provides an external perspective vital to retaining a balanced approach to decision making. The quality and frequency of this engagement and relationships can be the difference in being able to move at pace safely or doing a lot of activity without much effect.

THE ABILITY TO CHANGE COURSE RAPIDLY (AND EFFECTIVELY)

The usual practice for large and complex organisational programmes with traditional governance arrangements is to establish a board to provide oversight and decision making, which meets monthly and is provided with significant amounts of pre-reading and papers for consideration. This meeting cadence is not conducive to fast-paced decisions and being responsive to massive changes in the environment. However, these systems help us to govern safely – so what can we do instead? Our advice is – roll up your sleeves and get closer. This could include:

- ▶ **Rigorously testing the value** of continuing with all the initiatives that are in-flight. Plan for off-ramps for those that are losing their way – pause and re-focus, rather than continue and hope it will improve.
- ▶ **Reducing the number of papers.** Stop fussing about how well they are formatted and presented - is the content and analysis sound. Stick to the core issues.
- ▶ **Have smaller governance groups** who can devote more time to each programme – weekly stand-ups with the team – not to micromanage, but to provide timely strategic direction and authorisation of key decisions.
- ▶ **Consider regular ‘deep dives’ into your portfolios.** At one of our client organisations the executive spends three days every quarter with all key project leads working through the issues, re-prioritising the next 90 days and understanding both their progress and performance – then they let them get on with it.

All of these approaches have benefits and risks – it’s about what will work best, right now, for your circumstances. Determine the best approach, without adding too much risk.

HAVING AN APPETITE FOR RISK

Leadership is most often tested when risks arise and often the right decisions are not the most palatable for executive teams and governance groups. There are a few essential

characteristics for successful executive teams – including courage and the ability to deal with complexity and ambiguity.

Are decisions on continued investment based on a sound and well-understood risk management system? What criteria have been agreed when assessing performance and risks? If the indicators point to an initiative or project in trouble, or that what you are doing will not deliver the expected results, it’s a brave executive that is prepared to stop or change course but that is just what is required - leadership courage to do the right thing.

Even with the most robust risk management systems in place, many of these are built for a slower decision-making environment and may no longer be fit for purpose. Ultimately, executive and senior management presence, focusing on the organisation’s ‘True North’, and being clear about how much failure or loss you can tolerate will indicate the pace at which you can work.

SUCCESSFUL CHANGE LEADERSHIP

Lastly, but most importantly, effective change leadership is dependent on the level of tolerance for failure. We are familiar with the term ‘fail fast’ but how many organisations can hand-on-heart say that they support this concept? If we truly want to encourage innovation and fresh thinking (supported by sound risk management) then we have to be more tolerant of failure. Of course, level of complexity and scale of investment will guide this tolerance (and the ‘front page news’ still remains a good test).

Sensemaking in crises involves cycles of information processing, communication and problem solving. By keeping this in mind, executives will have more chance of driving the agility to adapt to environmental changes, safely. While individuals within executive teams and governance groups will likely interpret change differently, ultimately, consensus needs to be built around an envisioned future and the outcomes that will bring.

Need help? We can help guide your thinking through a partner-led discussion, providing different perspectives and options. This offer is extended free-of-charge for a one-off, informal ‘Think Tank’ session, hosted at Tregaskis Brown. If you would like to know more, please contact us through info@tregaskisbrown.com or call +64 4 499 9363.

ABOUT THE AUTHOR



Karen has more than 25 years’ experience as a programme and project professional and senior business manager. She is a highly competent and certified management professional, with a unique skill set encompassing portfolio, programme and project management, organisational change management, including assessment of capability, business case development, business and process analysis and workshop facilitation.