Distro - a Distribution Company

The Distro history had, by any accounts, been something of a roller coaster ride. There had been many excellent years, but almost as many in which profits were more marginal than substantial; and other years when the P & L even tipped over the line and red ink was needed in the accounts. The underlying causes of this instability in performance were not hard to see.

The market, associated with the automotive industry, was itself cyclical, and a close follower of the national economy. In more depressed times, purchasing patterns followed those of holidays and houses – mainly downward. With a strong economy, however, the opposite was true. Add to this the difficulties associated with buying in an overseas currency and selling in Stirling, combined with variable exchange rates. Mix in the vagaries of a long, slow ordering and delivery cycle, with the odd ship lost at sea; stir gently with the problems of selling through a dealer network mainly run, it would appear, by people with many of the characteristics of the 'little baron' syndrome; and while the whole mixture is simmering, add in a pinch or two of changing regulations, which appeared to have more to do with political correctness than commercial rationality, and the resulting stew was always bound to be interesting.

Having said all of that, the question still left on the table was about whether or not the Distro management had done enough to set up their company to operate effectively within the real, turbulent world of their market and local economy. Comparisons with other, similar businesses suggested that perhaps they had not. Other companies appeared to be able to weather the changing market conditions better than Distro. As a consequence, their business results were more like a conveyor belt than Distro's roller coaster – and a conveyor belt with a steadily increasing speed at that.

At the time of the intervention described below, Distro was just coming to the end of one of the upward parts of the roller coaster ride. Sales and profits had been good for several years and the balance sheet was in good shape. Almost inevitably, staff numbers had grown alongside the growth in sales, together with an inevitable increase in the cost base of running the business. Almost as inevitably, with a number of new regulations hitting the market, the number of non customer-facing and non dealer-facing staff had also risen. Maybe as a cause, or maybe as an effect, marketing costs had also risen. This included both direct marketing and advertising, as well as dealer incentives. Still, the P & L was looking good for the year just ending.

The problem was in the forecasts for sales for the next year, and the year after that. These were looking distinctly as if the roller coaster was about to run over the top and go straight downhill for the foreseeable future. In fact, combining all those excess costs with reduced sales, and probably reduced margins as well, meant that the P & L would probably be turning rather thin, if not a nasty shade of red.

Faced with the possibility of needing to declare a round of redundancies, and be subjected to criticism that this was a repeat of what had happened once before when a downturn had occurred, the decision was made to have an external review of the organisation. The objectives were multiple:

- A review of the way Distro managed its dealer network, to establish if greater sales could be achieved with lower costs.

- A review of the way the organisation was managed, to establish if the company was making best use of its existing talent.

- A review of the degree to which Distro had a clear strategy, and whether or not this was being communicated effectively to employees. The aim here was the development of a more cohesive approach to delivering strategy.

- The review of the organisation was also required to identify the degree to which Distro had the capacity to change itself, its organisation and its working methods, to handle a changed market condition.

Magus Networker was used to deal with the first objective, which was to assess the working relationships between Distro, its dealer facing staff, (direct or indirect), and the dealer network, with a special emphasis on the dealers' perceptions of Distro as an organisation. This part of the review is not covered in this paper. Suffice it to say that it produced some very interesting and challenging results. One outcome was a fundamental change in the roles of field staff and the way they managed the operations of the dealer network, including a shift from centrally-directed to locally-focused marketing.

For the other three objectives, Magus Scanner was used as part of the overall model for the intervention. It is those outputs from using Magus Scanner that are covered in this paper.

Magus Scanner uses a model of organisational coherence as its underlying methodology. It also uses indirect questions and inference engines to minimise the possibility of data contamination. This is generally important, but when sensitive subjects, such as the way an organisation is being managed, are raised, then data contamination becomes a serious issue, with both prejudices and political issues getting in the way of objective data.

Because Magus Scanner is designed for use by middle and senior managers, sample sizes are generally small. Data collection, (using a web-based questionnaire), and analysis are both very rapid – important when change is on the agenda. In this case, just 50 Distro managers were included in the sample. Data collection was completed within a week, and the results available for review with respondents the following week, through a series of workshops.

These 'respondent workshops' were something of a first for Distro, as they were designed to generate open dialogue about the state of the organisation, the causes thereof, and developmental actions indicated from the analysis. Because many of the Distro senior managers were in the sample, and there would be sensitive issues to discuss, good information and facilitation techniques were going to be vital.

Magus Scanner comes with two diagnostic tools, one each for the two most important outputs of Magus Scanner. The first relates to a series of strategically important issues, that arise from a review of the nature and style of the organisation, and its management. The second key output is a set of 'permissions' – see the box for a description of organisational permissions.

> *"Organisational permissions are implicit signals in the design of all structures and processes - and management behaviours. Unlike the messages in 'formal' change programmes, permissions send signals to employees every hour of every day about 'what counts around here'. Because permissions are unintended and largely hidden, without Scanner they are generally difficult to track down - and, therefore, hard to change."*

Magus Scanner provides a variety of ways of looking at its outputs, most of which can be examined by groups or by individuals. Drill-down facilities are also provided. This means that the number of possible reports is large, and not possible to show here as a full set. The illustrations and notes provided below are intended to focus on the most important outputs in respect of Distro, and to show how Magus Scanner helped to solve the Distro problem. Only group reports will be used to illustrate the results.
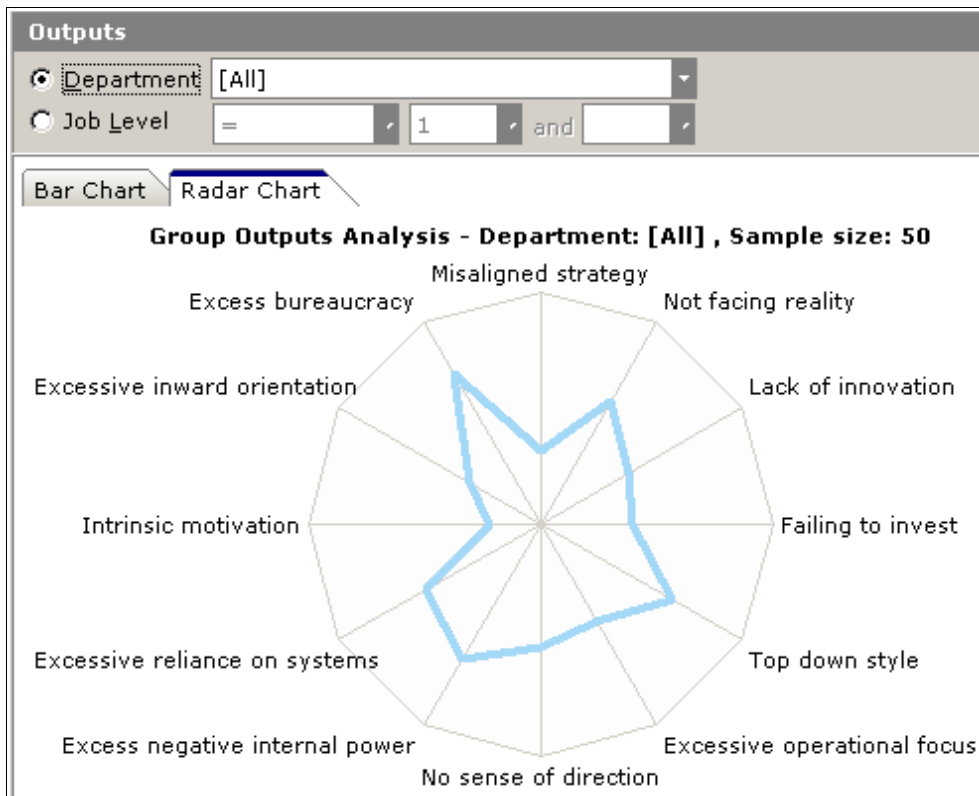
The full set of issues, (in their negative form), against which Scanner reports is shown in the table below:

Outputs
Strategy misaligned with underpinnings or aligned with vulnerable underpinnings
Not understanding and facing up to hard realities - lack of realistic collective view of issues and risks
"More of the same as" culture - lack of innovation
Failing to invest in / secure underpinnings
Top down style - strategy held at the top - failing to get operational people feeding the strategic agenda
Excessive short term, operational focus - maintenance merry go round
No strategy - no sense of direction - lack of focus - lack of discipline in resource allocation
Excess negative internal power and politics - rigid structures, vertical silos - lack of X functional teams
Excessive reliance on formal information systems & codified explicit knowledge
Excess reliance on 'comp and ben' to motivate - motivation more intrinsic than extrinsic
Excessive inward orientation
Excess bureaucracy - people, knowledge and skills not appreciated and invested in - capacity / energy waiting to be released

It can be argued that in all, or most, large organisations, the issues in the list above will exist in one degree or another. It could also be argued that these issues are one almost inevitable consequence of having a hierarchical organisation, which is true of most organisations – including those that claim to have developed very flat, highly-networked organisations. It is so often the case, that the hierarchy is alive and well, under the surface, in spite of management's best efforts to get rid of it. Status, seniority, authority and rank all seem to have their desired place, as they provide a degree of security, when people 'know how they fit in'. The tactic to use with Scanner is, therefore, to ignore the background 'noise' and focus in on the issues that stand out.

Scanner reports for Distro

In the case of Distro, there were just five of these issues that were indicated at a high enough level to cause concern. (These are outputs generated by the Scanner inference engine, from raw data provided by respondents – respondents are not asked directly to identify the issues, to avoid data contamination). These are illustrated in the chart below, produced by Magus Scanner: The further chart points are from the centre, the greater the issue. For example, 'Excess Bureaucracy' is the most significant issue in the chart below.
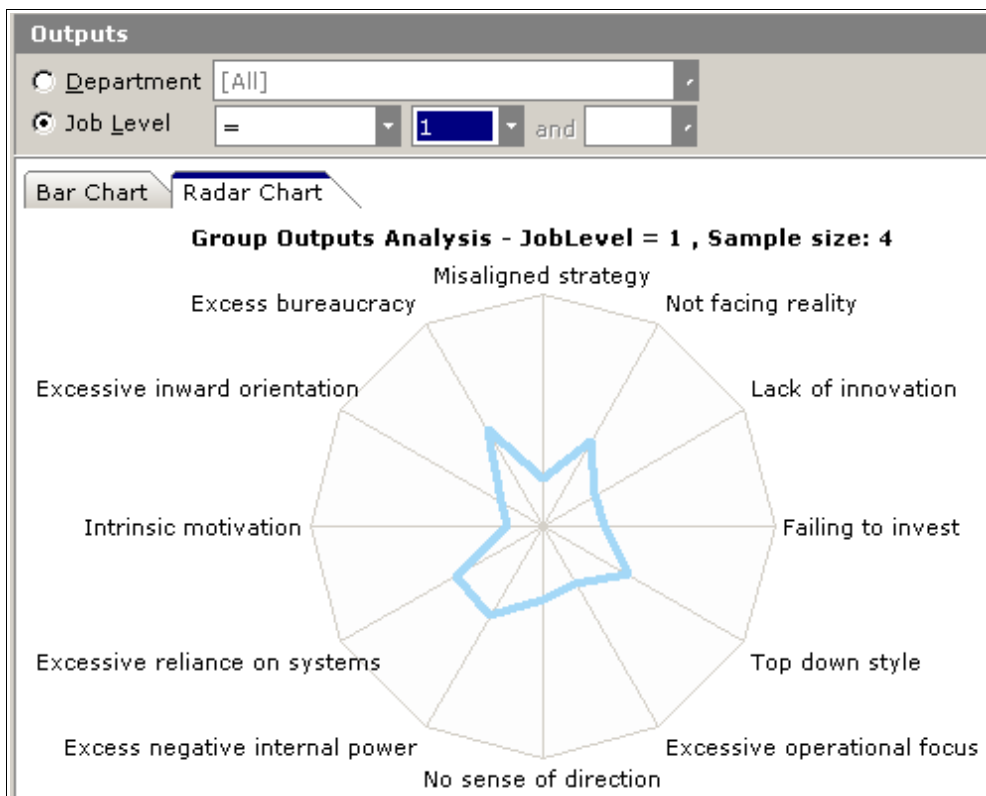

The sample used to draw this chart was the total sample in the Distro database, indicated by the 'All' selected in the department field – the sample size is logged as 50 above the radar chart. The labels applied to the dimensions on the chart are short forms of the full label listed in the table above. (Magus Scanner also produces bar chart versions of its output reports for people who prefer that representation).
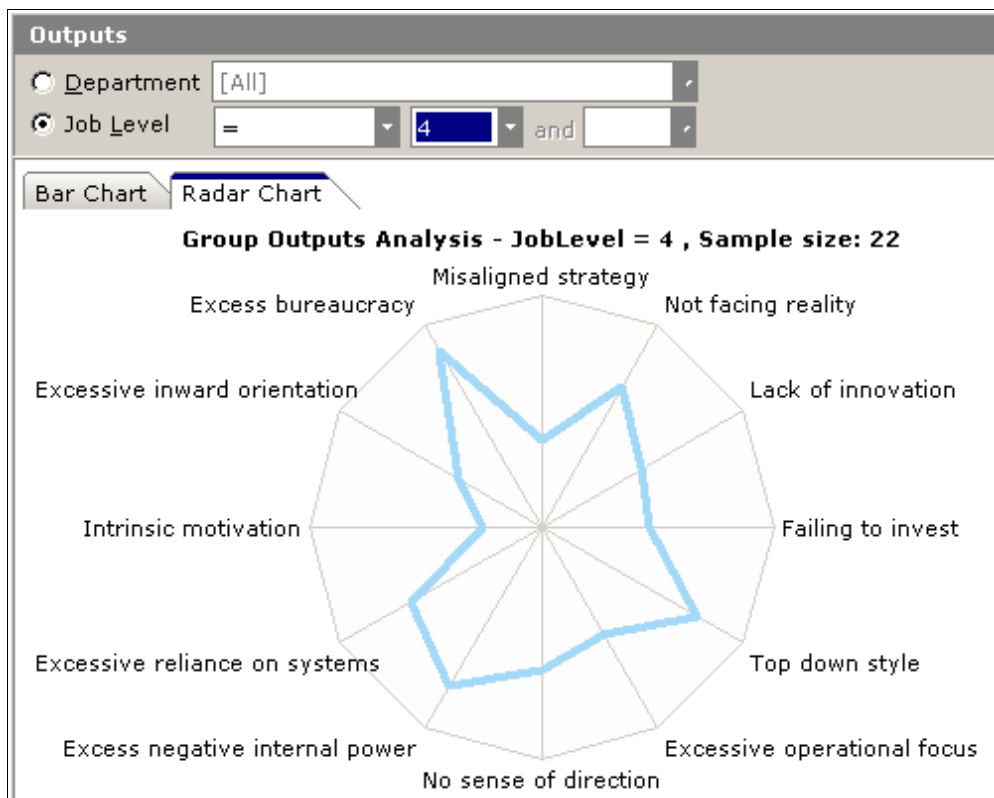
Please note that there is a possible connection between the five issues highlighted above. 'Not facing reality' could easily be a consequence of a 'top-down style' of management. 'Excess bureaucracy' could result in 'excessive reliance on systems'. 'Excess negative internal power' could be related to both a top-down style and excess bureaucracy.

Some of the other outputs are also rather high, and did get some consideration during the actual project - the nature of the Magus Scanner diagnostic tools means that shared causes, and hence development actions, will be identified anyway. For the purposes of this paper, these other outputs are ignored.

Taking the whole sample tends to produce a 'smoothing effect' as different perspectives from different departments and levels are all included. In this particular case, with one exception, the results were relatively consistent across the whole sample. The exception is illustrated below:

Outputs

○ Department [All]
● Job Level = 1 and

Bar Chart | Radar Chart

Group Outputs Analysis - JobLevel = 1 , Sample size: 4

Misaligned strategy
Excess bureaucracy — Not facing reality
Excessive inward orientation — Lack of innovation
Intrinsic motivation — Failing to invest
Excessive reliance on systems — Top down style
Excess negative internal power — Excessive operational focus
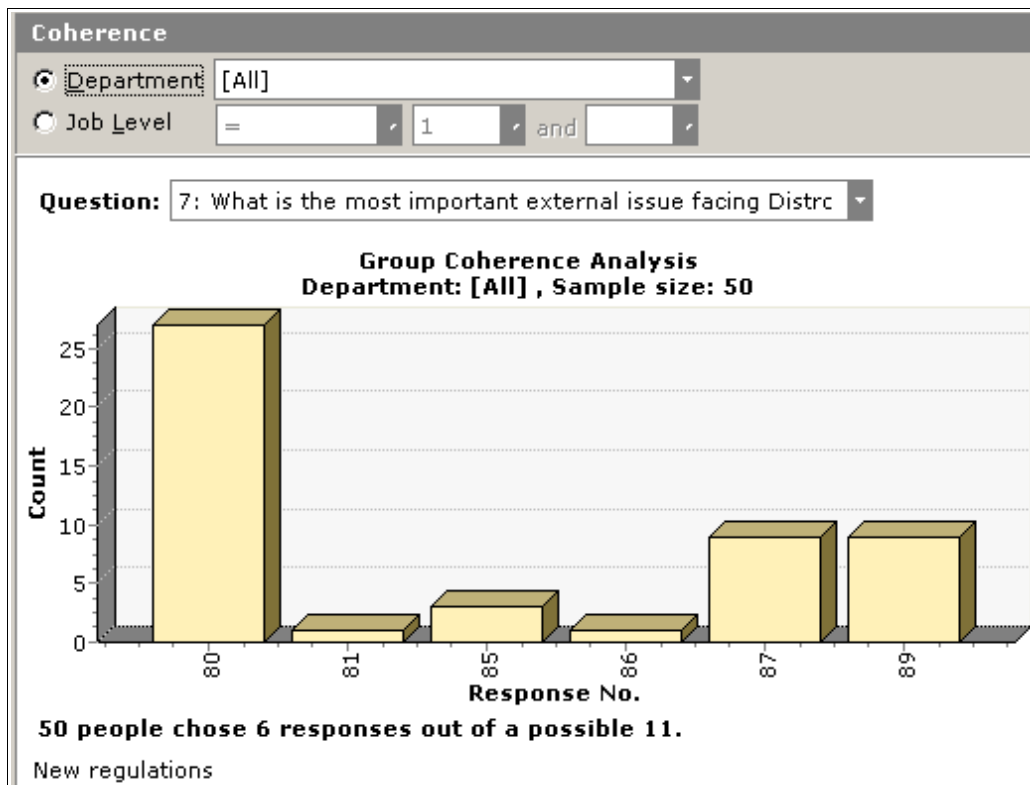No sense of direction

The chart above is the output report for level 1 managers only. These are the most senior people in the entire sample. The data they provided suggests that the issues facing the business are of a magnitude that is little different from the background level that would apply to all or most organisations. Here in the chart below, by contrast, is the result generated from the data provided by level 4 managers – the most junior in the sample. The shape of the output chart is much the same, but the magnitude is quite different.

Outputs

○ Department [All]
● Job Level = 4 and

Bar Chart | Radar Chart

Group Outputs Analysis - JobLevel = 4 , Sample size: 22

Misaligned strategy
Excess bureaucracy — Not facing reality
Excessive inward orientation — Lack of innovation
Intrinsic motivation — Failing to invest
Excessive reliance on systems — Top down style
Excess negative internal power — Excessive operational focus
No sense of direction

The next group report in Scanner is a set of charts which illustrate the degree to which respondents' answers were coherent. For many of the questions used by Scanner, it would be hoped that there would be coherence across a broad spectrum of managers. More interesting is where there is coherence within one set of responses but not in the rest of the sample. The Directors may, for example, produce a coherent set of responses about the strategy being pursued by the business, and what has underpinned its success to date. But suppose that high degree of coherence on those two topics does not exist for the rest of the sample?
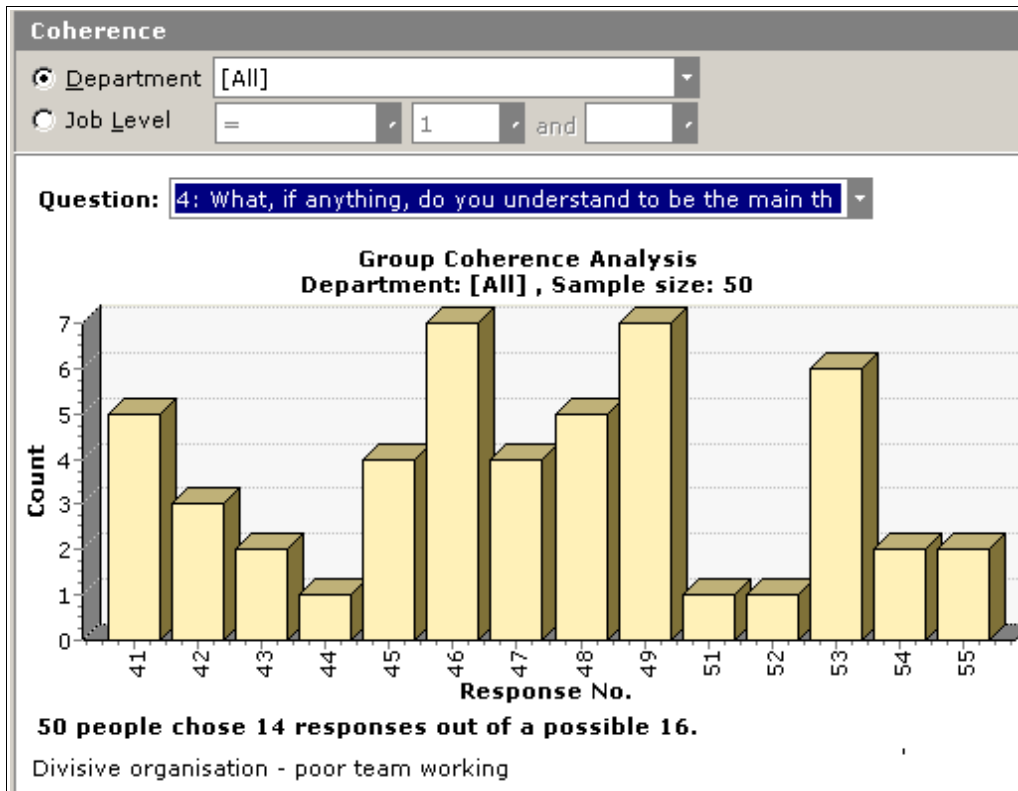
Here is the 'coherence report' for the total sample, on the question of the main external issues facing Distro:

There is a considerable degree of agreement that new regulations (the high bar to the left – 80) are the biggest issue facing the business. 27 people from the sample, (54%) selected that response. Increased demands for quality of service (87), and reduced distribution inventories (89) get some votes – the rest are 'non-runners' in this particular distribution.

The implication here is that there may be widespread understanding of the nature of the issue, AND action is being taken to address it. Alternatively, there may be widespread understanding of the nature of the issue, not currently matched by management action. In the latter case, it should not prove difficult to get that action initiated, because of the number of people who believe it to be external issue number one.

Compare the result above with that for the question relating to the biggest perceived threat to the long term success of the business, and the picture is somewhat different. The chart is on the next page.

Coherence

- ◉ Department [All]
- ○ Job Level [=] [1] and [ ]

Question: [4: What, if anything, do you understand to be the main th ▾]

Group Coherence Analysis
Department: [All] , Sample size: 50

50 people chose 14 responses out of a possible 16.

Divisive organisation - poor team working

Here there is very little agreement at all – the bars represent the number of people selecting each of the offered responses. There is a mixture of internal and external threats. The largest number of people selecting the same response is only 7 – just 14% of the sample. The implication is that any developmental action, (if there is any), targeting the long term success of the business would be likely to receive little real commitment from the majority of the management team, as many would disagree with the thrust of that action. If all the issues flagged up are real, any development programme designed to tackle them all, at the same time, would probably lack focus and fail anyway.
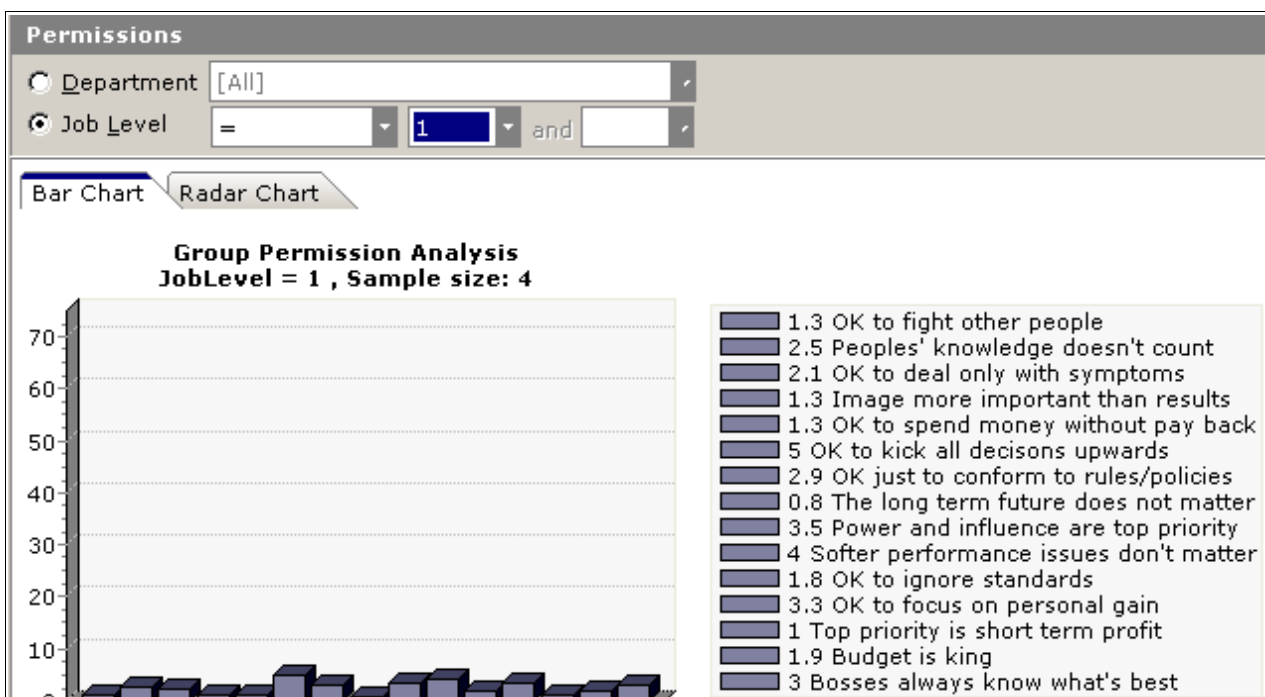
The third group report in Scanner describes the organisational permissions that are operating, under the surface. Here is the full set of Scanner permissions, in their negative (problem) form:

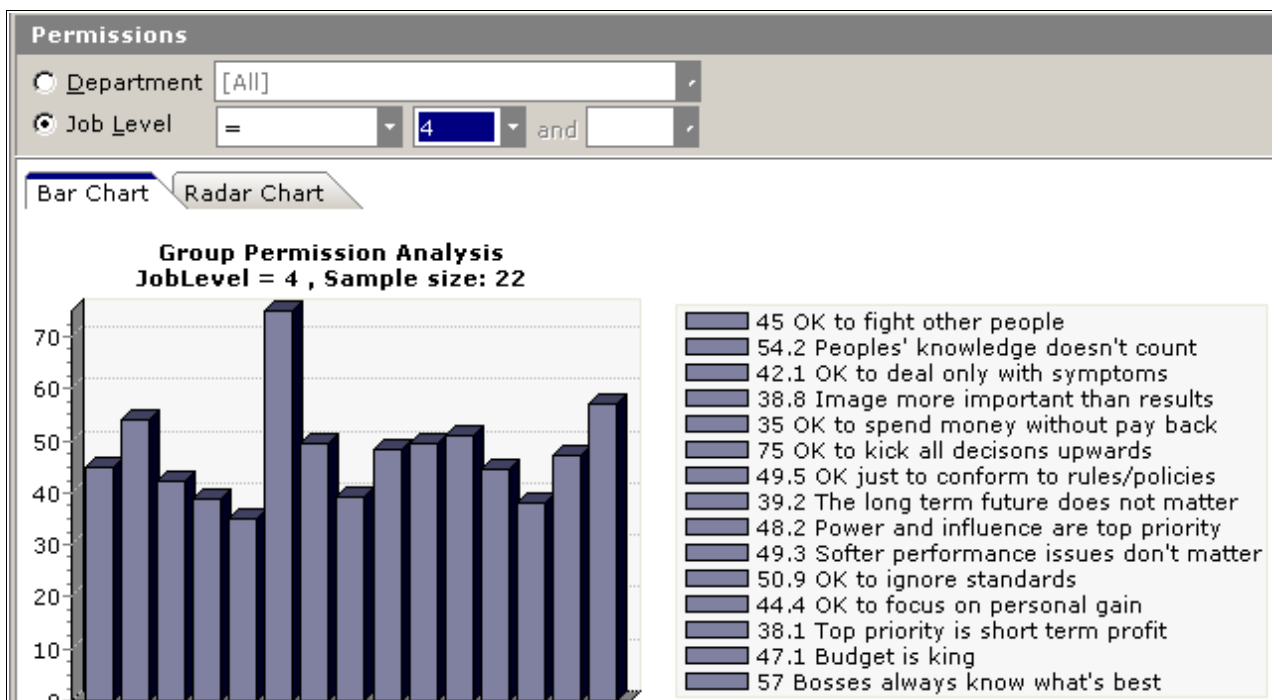| Permissions |
|---|
| It is OK to spend time / energy / resources fighting other people / functions without adding value - as long as damaging them does not negatively impact on your own function |
| Peoples' real world knowledge / ideas don't count - their job is to implement processes designed by 'experts' who know - it's OK to ignore problems that keep recurring |
| It is OK to deal with symptoms - don't worry about causes - as long as you keep the immediate problems under control, the future can take care of itself |
| Image and presentation count more than real results - massaging the numbers is OK - if hiding the truth today means problems tomorrow, that is OK too |
| It is OK to spend money without worrying about the real pay back - technology toys, status symbols and flights of fancy are all OK |
| It is OK to kick all decisions upstairs and avoid responsibility for results, people and the organisation at large - it's someone else's problem |
| It's OK just to conform to rules / policies - 'doing nothing is safe' - taking action to change the ways things are done is risky - don't innovate - innovation is dangerous |

Permissions
The long term future does not matter, only short term numbers and today's problems count - it's OK to focus on fire fighting - don't worry about the strategic implications of what we do or not today
Position power and influence are top priority to achieve - careers depend on networks - it's OK to focus on growing your own empire - size counts
It is OK to deliver only results that are measured as hard numbers (physical outputs / financial numbers). Other, softer aspects of performance can safely be ignored
It is OK to ignore standards - in respect of what you do / achieve / how you do it - including times / dates, application, commitment and dedication to the job - letting down colleagues is OK
It is OK to focus on personal material gain from the job - career, income and perks count for more than other peoples' job interest and security
Top priority is short term profit - it is OK not to worry about customers and other stakeholders, and their interests
The budget rules - what counts is hitting budget targets / short term departmental results - it's OK to ignore changes in internal / external environments and what that might mean
The bosses know what is best - your job is to do as you are told - it's OK to keep a low profile - don't challenge the ways things are / authority

Before reviewing the Distro results, it may be worth pausing for a moment to discuss how the Scanner diagnostic tools work. Both 'issues' and 'permissions' are presented in their negative (problem) form and their positive (strength) form. Groups discuss which they would prefer to be descriptive of where they work in the company. They are then asked to discuss which statement is actually more descriptive of what it is like for them, when they are at work. Departmental or level differences always drive interesting conversations about causes, and hence through to actions.

Below is the level 1 sample report on permissions for Distro. It can be seen that, according to the information provided by the senior managers in this sample, (after processing through the Scanner inference engines), there are effectively no negative permissions. Even without other data, this result would be somewhat unbelievable. As in the case of the issues, it would be normal for there to be at least a background level of negative permissions operating – that is in the nature of hierarchical organisations.

In the case of Distro, the level 4 report on permissions produced an interesting contrast – see below:

Permissions

○ Department [All]
◉ Job Level = 4 and

Bar Chart | Radar Chart

Group Permission Analysis
JobLevel = 4 , Sample size: 22

- 45 OK to fight other people
- 54.2 Peoples' knowledge doesn't count
- 42.1 OK to deal only with symptoms
- 38.8 Image more important than results
- 35 OK to spend money without pay back
- 75 OK to kick all decisons upwards
- 49.5 OK just to conform to rules/policies
- 39.2 The long term future does not matter
- 48.2 Power and influence are top priority
- 49.3 Softer performance issues don't matter
- 50.9 OK to ignore standards
- 44.4 OK to focus on personal gain
- 38.1 Top priority is short term profit
- 47.1 Budget is king
- 57 Bosses always know what's best

The difference is stark and, as permissions are the unwritten, unspoken rules that determine much of employee behaviour, it is more likely that the data provided by more junior people will represent their reality rather than the data provided by senior managers. And so it proved in the case of Distro. Workshops with all four levels of management present had little difficulty identifying the causes of the problem, and developing solutions – these are reviewed below.
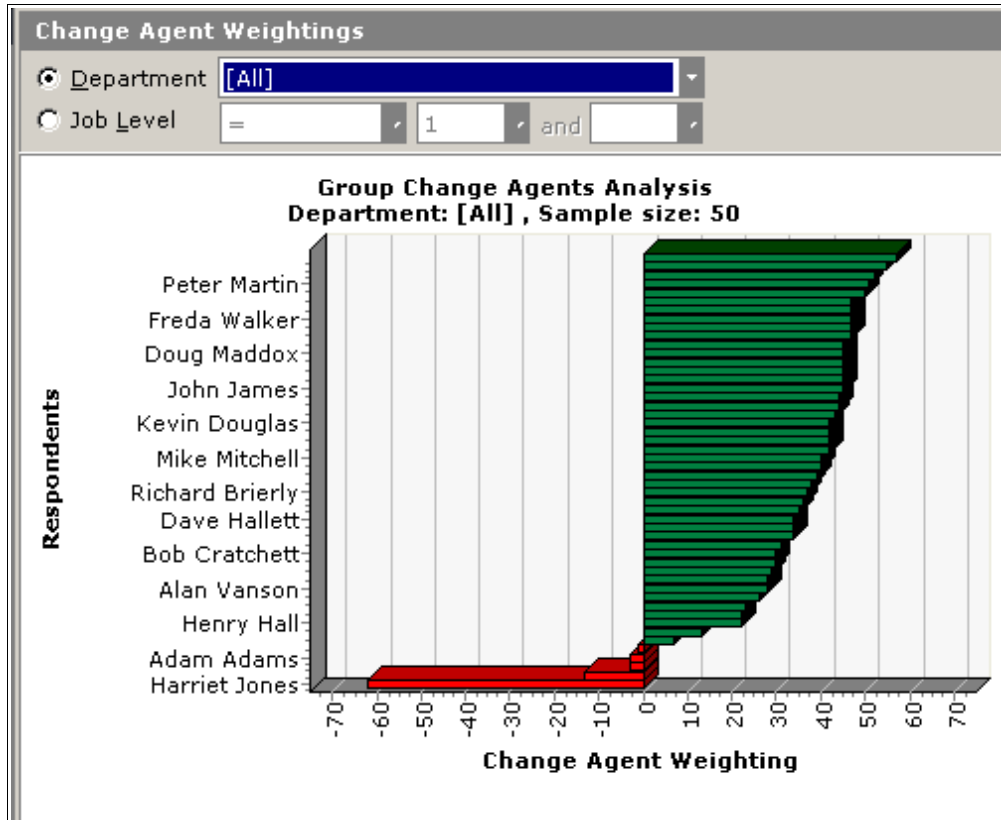
Magus Scanner also provides an orientation report, for individuals and groups. The main use of this is in relation to the identification of potential change agents, and the allocation of tasks when the change process gets going. The orientation report indicates the major areas of interest of the people in the sample, and, therefore, suggests how those people might be best engaged with the change process that always follows from a Magus Scanner-supported intervention.

For the purposes of this paper, there is little to gain by illustrating these reports, since they are mainly useful post the intervention - not during it.

The final report is that of potential change agents. Scanner looks for patterns of responses in individual sets of answers. There are several main criteria that Scanner is seeking to identify and rate potential change agents. These are:

● Dissatisfaction with the status quo

● Rational ideas about what is wrong with it

● Rational ideas about what action is needed

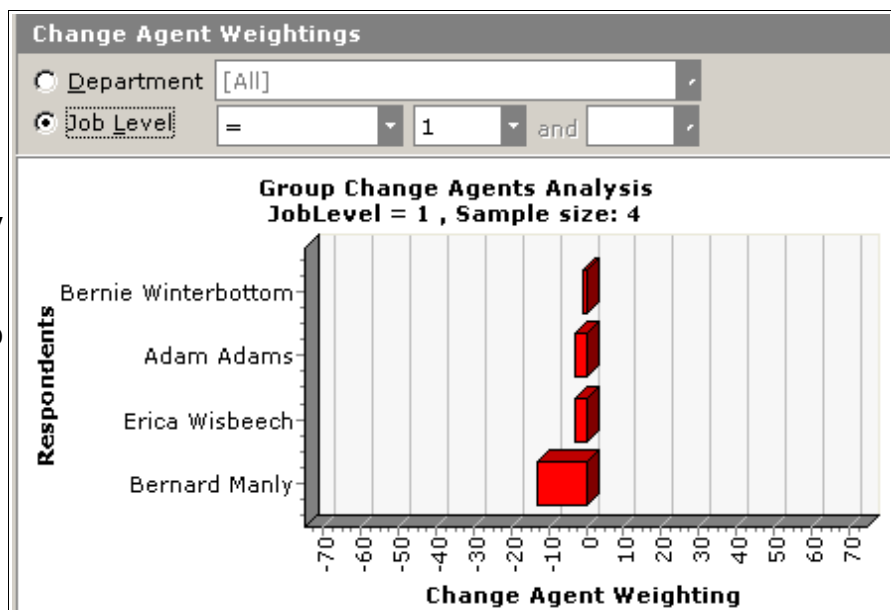● A set of responses which are internally coherent

The potential change agent report for the whole Distro sample is shown below:

(Please note that a result of shrinking this chart to a size that can be accommodated in this page means that it is not possible for all the names in the sample to appear in the chart above).

People in the sample with a green bar are those with a positive change agent score. Those with a red bar have achieved a negative score. These are not necessarily change blockers, (although they may be), but they are not likely to be positive proponents of change or people who will readily help get a change process up and running.

As it happened with Distro, the change agents report for level 1 managers showed are rather disappointing picture – illustrated to the right. They all had negative indexes, simply because their perception of the status quo was much more rosy than that of their colleagues – possibly another effect of a top-down style of managing.

In this particular sense, Distro was unusual, and did not quite conform to the general wisdom about change agents. This is that it is people in the middle of organisational hierarchies that are usually most resistant to change. People at the top are thought to be movers of change, because they see the strategic picture and recognise the need to change. Equally, people close to operations have to face daily realities and a changing external world, and often their jobs are about change.

In the case of Distro, the people with the highest change agent index were in levels 2 and 4. The explanation of this result in the Distro case is that many of the major issues facing the organisation were internal, rather than external. The latter were generally well known, and getting some management attention. It was the internal issues, hidden from senior management that were the major issue – hidden by that top down style and its associated permissions. Please note in this connection, the high score permission identified from level 4 data – 'It's OK to kick all decisions upstairs'.

While the highest change agent indexes were record in levels 2 and 4, there were also several people in level 3 with relatively high indexes. The lowest indexes recorded were in levels 3 and 1.

At this point, we have summarised the key outputs from the Scanner-supported intervention as follows: (**Not all these outputs have been illustrated in the charts above**).

Issues:
- Excess bureaucracy
- Excess negative internal power and politics
- Top-down management style
- Not facing up to reality
- Excess reliance on formal systems

Coherence:
- Lack of clarity about the underpinnings of success to date
- Lack of coherence about the threats facing the business
- Lack of coherence about Distro's position in the market
- Highly operational, short-term focus – lack of a sense of direction
- Lack of coherence on external issues
- Lack of investment in developing the dealer network

Permissions:
- It's OK to kick all decisions upstairs
- The bosses know what's best
- It's OK to focus on hard numbers and not worry about people

So now you have got me here ...

The reports are interesting in themselves, but reports do not change anything. There is a brief reference above to the workshops that are run as part of a typical Scanner intervention. The diagnostic tools used in these sessions are also noted.

Typical workshops are set up so that there is a mixture of representatives from several departments and job levels. ('Level' in this context means reporting distance from the most senior person in the organisation. To illustrate, if the CEO is level 0, then the directors reporting to the CEO would be level 1. So would the CEO's secretary and any other person in a specialist role reporting directly to the CEO).

In the Distro case, the sample comprised people from Finance (12), Sales (12), Marketing (12) and Operations (14). There were 4 people in level 1; 8 in level 2; 16 in level 3; and 22 in level 4.

Two Distro workshops were run, with a total of 47 people attending them. The directors of Sales and Finance attended the first, and the other two directors attended the second. In both cases the distribution of people from the four departments was roughly equal.

The programme of the workshops followed a conventional model. Introduction and objectives, presented by a facilitator thoroughly conversant with Magus Scanner, and five minute comment by the directors present, (who had already seen some of the results), about the need for totally open dialogue. It was agreed that there would be no defensiveness from anyone, including the directors, and the aim was to explore explanations, causes and developmental actions needed, and that necessarily would be a cross-functional-boundary affair.

There followed a review of the key results illustrated, (on screen through a data projector), by the facilitator using Magus Scanner to query the database. The focus was on group results, with individuals being offered the chance to see their own results, either in open session, or during breaks, as they chose. This stage included a description of the concept of permissions, and how the change agent indexes are calculated.

As this part of the session progressed, the agreed key issues to be reviewed were summarised on a chart. The list was much as that presented above, although longer and more detailed.

The Magus Scanner diagnostic tools were then presented, with a brief explanation about how to navigate through and use them, and how the conversation should be structured. See below for one page from each of the two Magus Scanner diagnostic tools. The pages selected link with one each of the issues and permissions noted above.

The next stage was to ask the delegates at the workshops to form themselves into groups, of their own choice. Each group formed itself around a selection of the issues and permissions that had been identified through the review, for the groups to tackle. These groups were status-less, and two groups included the directors present.

Through the dialogue, it was agreed that Distro had a number of features that had served it well in the past, and that could be relied on in the future. These were summarised as:

- Good product – design and quality

- Good name in the market

- A lot of good people – very knowledgeable about the product and the market

- A lot of good dealers, with the franchise being valued

- Good national advertising – innovative designs with strong pull

- Senior management that were happy to engage with people throughout the organisation

- Senior management that were happy to be highly visible to dealers

Also through the dialogue, a number of causes of the issues were identified and summarised. The headlines were:

- While the move towards ISO 9001 accreditation was broadly welcomed, the process of writing procedures had been taken too far, to include too many unimportant topics. There was too little flexibility for people to handle exceptions

- This had led to 'observing the rulebook' being more highly regarded than pushing out boundaries to seek performance enhancements

- This, in turn, led to risk taking and innovation being suppressed

- Power to make and implement decisions was not widely distributed – too many decisions were referred upwards and too many were made behind closed doors. This particularly applied to decisions about resources, the organisation and people.

- There was a lack of dialogue about strategic direction – occasional pronouncements from senior managers did not really register

- Senior managers were closed to feedback about their own activities – the workshop days were regarded as a noble exception to the general rule that had prevailed previously

- There were no effective forums for employees to engage with management, provide feedback from the external / internal environments, to agree and action issues identified

- There were too many direct interventions by senior managers with dealers, with field staff discovering afterwards what had been decided

- Generally, senior managers got too involved in operational decisions, linked with information systems that focused heavily on short-term results

- All variances against budget were closely monitored and controlled; all expenditure had to be approved, even though it was in the existing budget. (This was an example of where 'single incidents' produced reactions resulting in new, written procedures and / or more approvals).

- The priority - there was little investment in developing the dealer network. Interactions with dealers were all about making short term targets, and letting the long term look after itself

At this point, delegates were asked to consider the developmental actions that were going to be needed, plus how they should be implemented.

What emerged from this was the issues being formed into clusters of related topics. There were just four. These were:

- The need to develop improved dealer network management. Specifically this included the roles of the various people interacting with dealers; the assignment of authority to make decisions in respect of the dealers' business; the over-arching need for an investment in the development of the network, covering local marketing and people management. Part of this set was an agreement that the fragmentation of roles that had developed over years needed to to addressed, with field managers having a broader responsibility for a smaller number of dealers.

- The need to tidy up the formal procedures covering much activity in the business, and to provide increased flexibility in decisions about actions. This included the mechanisms for getting approval for expenditure and for handling budget variances.

- The need to clarify strategic direction so that it could act as an effective guide for decision making, to enable tactical moves to be tried by just about anyone. It was also agreed that the actual definition of strategic direction should follow the concept of 'Roughly West', so as to allow variations around that direction to emerge naturally. Finally, a mechanism was needed to enable many people to engage in dialogue about the issues that needed to be actioned, in relation to the strategy, either to remove or minimise constraints, or to capitalise on opportunities.

- Quite apart from the specifics in relation to management of the dealer network, there was a general issue about lack of clarity in peoples' roles throughout the organisation. Many jobs seemed to have 'grown like Topsy' without any great thought to their design, accountabilities, and the authority attached to them.

Having identified the four key clusters, a cross-functional task force was formed to deal with each. None of these task forces included a director. Moreover, it was agreed that the task forces would operate on the basis of the MTL 'Bounded Freedom' model. This meant that they would making decisions, not offering recommendations for someone else to approve. The (uncrossable) boundaries selected for their 'thinking box' were 'strategic direction', 'resources', 'performance improvement' and 'ethics / values'. The first one, interestingly enough, immediately created the need for the senior management team to clarify and communicate what the strategic direction actually was!

Each task force worked out its own success criteria and delivery schedule. All were formed of volunteers, the formation being guided, in part, by the orientation information in the individual reports in Magus Scanner. Each task-force was empowered to co-opt anyone that might be needed from time to time, including directors.

All, subsequently, delivered their outputs on schedule. Mostly, their ideas were implemented without too many difficulties – errors from trials were generally sorted out without too much strain.

Three of the outcomes acted as enablers for the top priority – developing the dealer network. The final result was that, while sales did actually dip in the ensuing years, the dip was not as great as feared. Market share increased, albeit in a smaller market, margins held up, and the dreaded dip into red ink – and redundancies – was avoided.

The issue indicated: **Excess negative internal power and politics - rigid structures, vertical silos - lack of cross-functional teams.**

Some Discussion Topics:

- How much decision making goes on behind closed doors? Especially about organisation structures, individual job moves, and resource allocation?

- How widely distributed is decision power throughout the organisation? Or is it tightly held by a limited number of power brokers?

- Informal networks in the organisation are mainly focused on what? Cross-functional problem-solving, information and resource sharing? Or influencing corporate decisions to further sectional interests?

- To what degree do performance metrics focus on departmental results, or do they focus more on the performance of lateral processes?

- How common and comfortable is it for inter-functional issues to be confronted, directly by the managers involved, and for their resolution to be negotiated, without reference to senior managers?

- How easy and comfortable is it, for the departmental people involved, to negotiate the transfer of responsibilities, activities and / or resources between departments or functions, as and when changes in the external or internal environments demand it? Or does this sort of decision often result in disputes that have to be resolved by more senior managers? Or does it end up in the 'too difficult drawer' and the need get ignored?

The positive form of the issue indicated: **Positive political decision making accompanies a wide distribution of power - there are flexible structures, with effective cross-functional teams.**

For other Scanner Issues and discussion topics, likely to be related to this issue, please click on this link.

Return to the Issues navigation page.

The negative permission: It's OK to deliver only results that are measured as hard numbers (physical outputs / financial numbers). Other, softer aspects of performance can safely be ignored.

Some Discussion Topics:

- How much close, personal attention does management give to small variances in performance against budget - either output targets or financial results?

- When external conditions change, either in the sales or recruitment markets, how difficult is it to make internal changes in response, if these mean short term variances against budget?

- How much time is consumed at monthly management meetings reviewing performance against the budget compared with the time spent on softer, people related issues?

- What sort of goals and performance measures exist in relation to non-financial and other soft aspects of organisational performance?

- To what degree do employees throughout the organisation have some degree of control or influence over the work they do, and how they do it?

- How true is this statement - "All employees enjoy their skills and knowledge being frequently challenged by the work they do"?

- What level of extrinsic motivation is there in the organisation, (that which comes from employees' managers and the organisation), compared with the level of intrinsic motivation, (that which comes from within the individual and relates to the work itself)?

- To what degree is experiment and innovation by all employees encouraged by the organisation, either through explicit practices or implicitly through symbolic messages?

The positive permission: It's important to factor people issues into achieving business results - people are valued throughout the organisation - and know it.

For other Scanner permissions and discussion topics, likely to be related to this issue, please click on this link.

Return to the Permissions navigation page.