



Stuck in Status Quo: Five Crippling Habits That Inhibit Change and Agility

We all have excuses for not changing, and you'd better believe that companies are full of excuses. The following phrases may sound familiar to you: "We've tried that before and it didn't work." "I didn't make my numbers because . . ." "Here are all the things that could go wrong." "I can't get everything done." "It's not my job. It wasn't my fault." "I wish management would stop changing their minds."

Excuses signal systemic problems that are deeply embedded in the corporate culture. And while some hostile economic events are unavoidable, I find that many companies suffer from the same five crippling habits that inhibit change, progress and growth.

Crippling Habit 1: Absence of Clear Directives

If you're hearing or saying any of the following, then your company or organization suffers from an absence of clear directives: "I can't get anything done." "Everything is a priority." "I wish management would quit changing their minds." "I didn't know I was supposed to do that."

As a leader, you must make sure everyone who reports to you understands and stays focused on achieving the company's most important objectives, the things that matter most and must get done. Listen for what's keeping people from doing what's important. Have you set goals that are specific and measurable? Can everyone in your company articulate those goals? Do they understand how their jobs directly support those goals?

It's easy to discover the answers to these important questions. When I'm working with a company to improve operating results and profitability, one of the first things I do is walk around and ask people at all levels what the company's goals are. If they can tell me, pull it up on a computer screen, or point to a sign in their office or a break room and then describe how their work fits into the company's top objectives, my job is going to be a lot easier.

Most of the time, employees don't know their employer's top objectives, and they struggle to directly connect their work to desired outcomes. Sometimes I don't even have to ask the questions, all I have to do is listen and observe. Are heads down and focused? Are people having action- and goal-oriented conversations, or are they surfing the Internet or reliving their week-ends?

Put the objectives front and center on meeting agendas, in ongoing written and verbal communications, and in marketing collateral. Make them come to life in everything the company does.

Crippling Habit 2: Lack of Accountability

If you're hearing "I would have done it but . . ." or "It's not my job," around your company, then your business is suffering from a lack of accountability.

When I find a culture of blame or a victim mentality, it often points to a lack of clear ownership and the fact that the company's reward system isn't linked to results. People need to know what they're responsible for delivering. They'll know this if you tell them directly and unambiguously. You must also reward results, and to do that you have to measure performance against clearly defined goals.

When I visit a company, I ask people what they're doing and if they know how their job fits into the company's top directives. I then ask, "How well are you performing, and how do you know?"

To be effective you must measure results against goals—not just quarterly or at year's end, but often weekly or even daily. While "meeting mania" is certainly unproductive, frequent meetings that focus on performance against those goals are absolutely necessary—and absolutely productive. Managers, along with everyone else in the company, must be held accountable. If you don't make your goals, there must be a penalty.

The best carrot and the strongest stick are often compensation. I can't believe how frequently I find that year after year workers who

don't meet their objectives continue to get pay raises. If there are no consequences for poor performance, you can't expect improvement. What you can expect is a company full of poor performers.

Crippling Habit 3: Rationalizing Inferior Performance

Whenever you hear "they," as in, "If only they would do their jobs," and "I work hard, why are they complaining?" instead of "I" in a conversation about meeting goals, you can bet someone is rationalizing by creating a defense mechanism that justifies inferior performance.

When people in a company aren't meeting their goals, but they take ownership by communicating what they require to succeed, how much it will cost, and who needs to help them, that's an example of an organization committed to results. Leaders capable of changing the focus from excuses and rationalization to removing the roadblocks that inhibit great performance should be held out as role models.

When the most productive leaders hear someone rationalizing inferior performance, they switch the conversation from negative to positive. Instead of asking why an individual hasn't met a goal, ask what he's doing to get there. Does he need help? What stands in the way? During these conversations, make certain ownership and accountability are maintained while you focus on actions required to achieve the desired outcome.

Crippling Habit 4: Planning in Lieu of Action

If only I had a nickel for every time I heard one of the following: "That's not in the plan." "We missed the plan and need a revised forecast." When companies don't meet their profit objectives quarter after quarter, all too often everyone eventually blames the plan. Leaders then blame the employees and downsize the company. It's a vicious, disastrous, and expensive cycle.

The problem is that companies too often don't invest an equal amount of time, energy, and resources on achieving the results the plan targets. Instead they go through several quarters before realizing that they're not achieving the results they'd planned for, and so they say, "Let's revise the plan again."

The most effective plans are those with specific, measurable goals that are evaluated monthly. Long-range plans covering three to five

years are useful for setting and communicating direction and should be restricted to senior management. Short range plans covering twelve to eighteen months are what leaders need most to remain on course and manage results.

Plans and associated measurements must focus on simple to articulate goals owned by specific people. The measurement system has to be visible weekly, or in some cases even daily, so that everyone knows the results and understands the deviations. When deviations occur—and they will—a company must act immediately to remedy the situation. Problems never get better without action. They only grow worse.

Crippling Habit 5: Aversion to Risk and Change

How do you like this excuse: You're new to a company, you have some great ideas for improvements, you share them, and then you get shot down with, "Once you know what we're facing, you'll understand why we do things this way." In other words, once you become a part of the problem, you won't want to shake things up.

It's true we're all creatures of habit. We'd much rather navigate familiar territory and clutch the belief that if we just keep doing what we've done that produced good results, those outcomes will continue in perpetuity. Of course, that theory is ridiculous, because the world around us is in constant flux.

What's even more ridiculous is that many businesses just keep doing things that have produced bad results, always expecting a different outcome. They become expert at rationalization and maintain that way of thinking until something dramatic happens to the business. Sometimes the higher up you go in an organization, the more prevalent this behavior becomes. Why? Because senior people believe they have more to protect, so they don't want to risk losing anything.

For change to occur—the pain of change must be perceived as less than the pain of maintaining the status quo. Until this condition is met, little will change. Most companies wait too long to change. They delay until there is no other choice. We see it every

day. Companies are taking high write-offs, reducing their workforces, cutting benefits, dividends, and earnings expectations, then finally resorting to change because their competition has beaten them or they are facing a financial crisis.

People want to work for leaders who have the guts to make a decision and stick with it. If your company holds meetings with lots of people to gain broad political consensus, then a leader is trying to ensure that if something goes wrong, there will be plenty of people to blame.

Instead, management must encourage calculated risk taking and truly demonstrate that people who take risks and occasionally miss the mark will live to try again. A culture of blame, fear, and meeting mania can't flourish in that healthy environment. Gains in productivity alone are reason enough to put a halt to unnecessary meetings.

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