

Driving a New Culture to Embrace the Digital Age

ASQ I2I3 – September 17, 2019

What Brought us Here won't Take Us There

- How organizational structure we've relied on for efficiency won't help us be more effective.
- Why we need to move from hierarchical adherence to cross functional collaboration.
- How leaders need to drive the new organizational culture.

Cross-Functional Dysfunction

- What are the symptoms?
Organizations are unable to:
 - Meet budget.
 - Stay on a schedule.
 - Adhering to requirements.
 - Meet customer expectations.
 - Maintain alignment with the company's corporate goals.
- These symptoms ultimately cause these impacts:
 - Results will come more slowly, if at all.
 - Goals are at risk.
 - Reduces customer satisfaction.
 - Confuses internal employees and disempowers them from doing their best.



Harvard
Business
Review

Sign In

COLLABORATION

75% of Cross-Functional Teams Are Dysfunctional

by [Behnam Tabrizi](#)

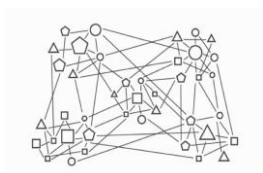
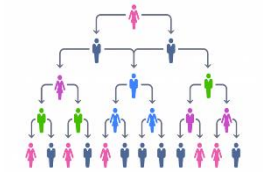
JUNE 23, 2015

What brought us here...

A primer in organizational history.



What brought us here...



- 1850's
 - One product at a time.
 - Heavily focused on craftsmen and craftsmanship.
 - Slow and highly variable results.
- 1890's
 - Fredrick Taylor implemented the idea of greater specialization of tasks.
 - This opened the way for Henry Ford and others who pioneered mass production.
 - Increased organizational structure provided greater consistency and speed.
- 1900's
 - Greater and greater efficiency.
 - More specialization, moving to back office functions.
 - Driving more and more cost out of production.
- 2000's
 - Hierarchy becomes a roadblock to innovation and change.
 - Organizations needed to produce new products faster to respond to the marketplace.
 - In order to keep up, organizations needed to figure out how to become more effective.

Empowerment of the 1990's

- Lack of clarity on the term “empowerment.”
- Organizational structure didn't promote collaboration.
- Leader's weren't aligned to common organizational outcomes and often protected their turf.
- Process thinking was limited within functions.

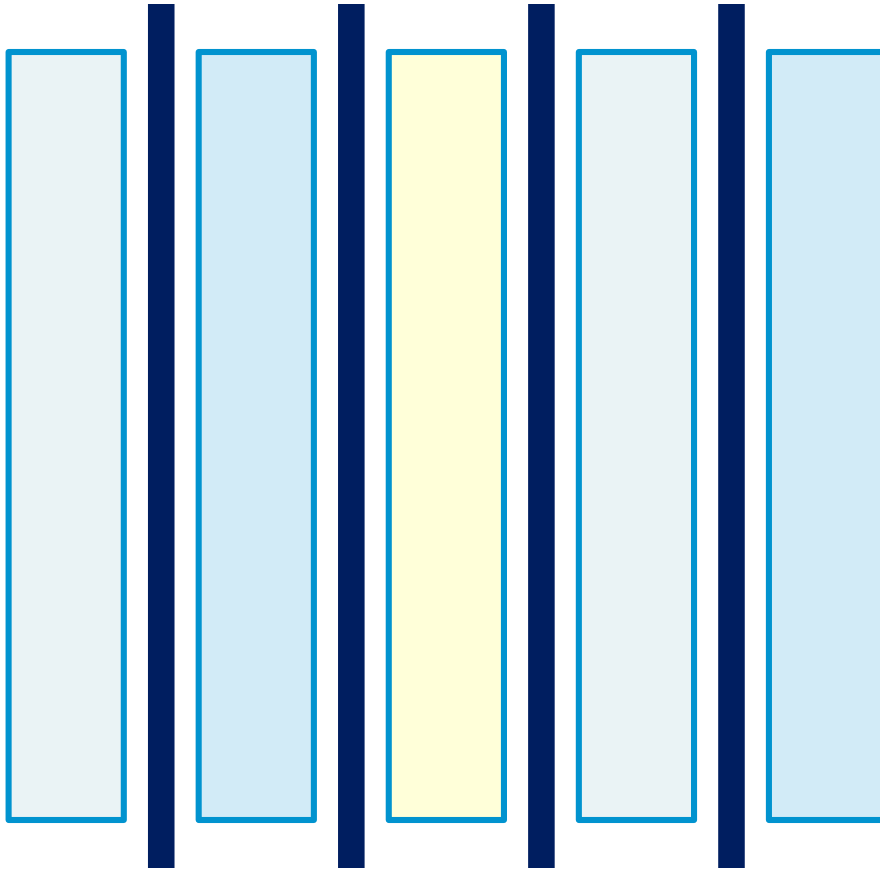
I'm
Empowered?
????

Managers Lived This

- Learned that successful cross-functional work required strong sponsorship at the most senior levels.
- Barring strong, aligned sponsorship, projects incurred high failure rates.
- Senior leaders who tried to protect their turf ultimately lost in the long-run.

A Manager's Nightmare

Attempts to Mitigate Cross-Functional Dysfunction not Recognized

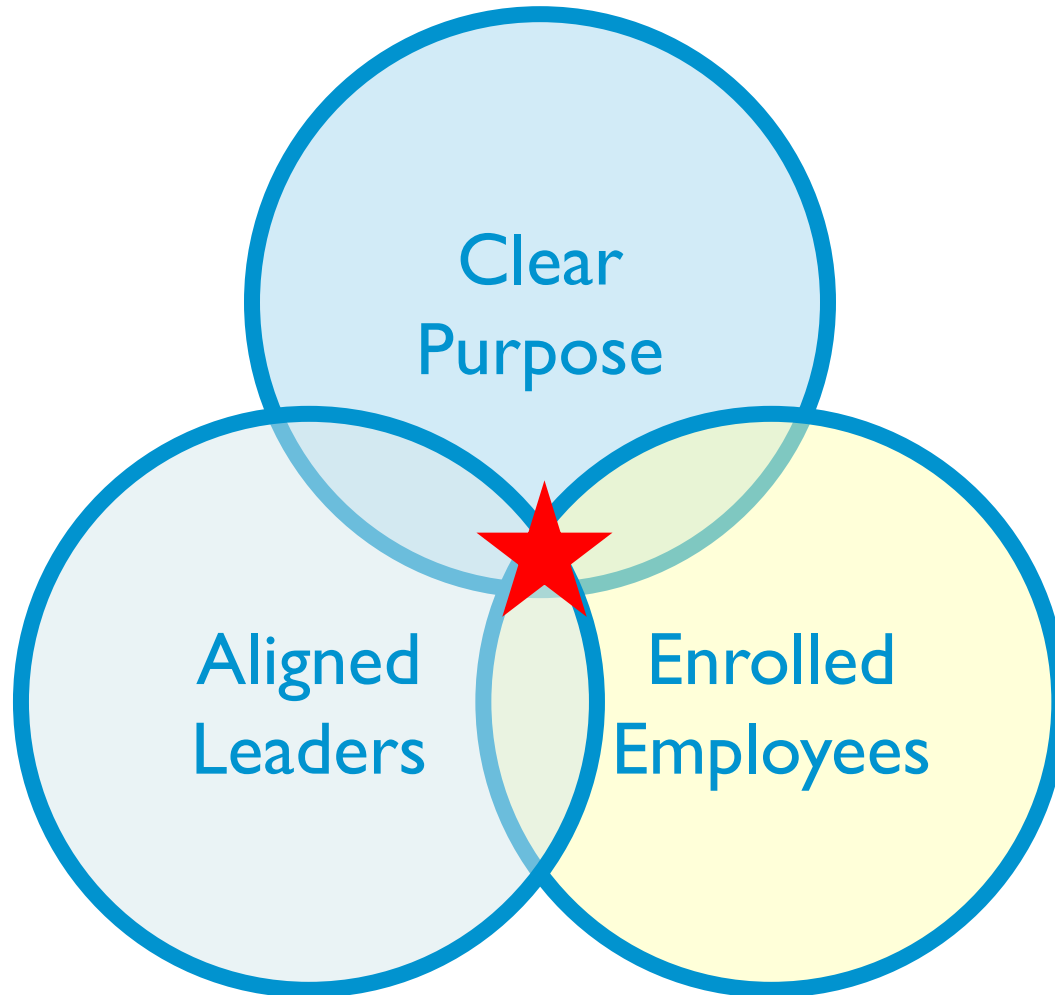


- Leader's didn't want to give up power.
- Goals at the top were mis-aligned.
- The parts were greater than the sum of the whole.
- Functional improvements were rewarded more than cross-functional wins.

...gives way to the future...

The need to move from hierarchical to cross-functional.

The Transformational Leadership Trifecta



Empowerment Redefined

- Collaborate effectively across the organization.
- Build trust that promotes healthy dissent.
- Commit and hold one-another accountable across the organization.



Leaders Must Create the Environment



- Give up traditional command and control in favor of a more facilitative approach.
- Be clear about the organization's purpose, stated in outcomes to which employees can relate.
- Hold the leadership team accountable stop controlling behavior and work cross-functionally.
- Model and require more openness, more willingness and a greater propensity to challenge each other.
- Promote and model the idea that employees across the organization work together to drive outcomes.
- Become a coach, helping direct reports, and the entire organization drive to these new behaviors.

...to provide these benefits.

How leaders are creating collaborative, cross-functional organizations.

The results?

Project Success

Innovation Success

**Employee
Development**

**Organizational
Success**

Amazon's Growth Tenfold that of Target Stores



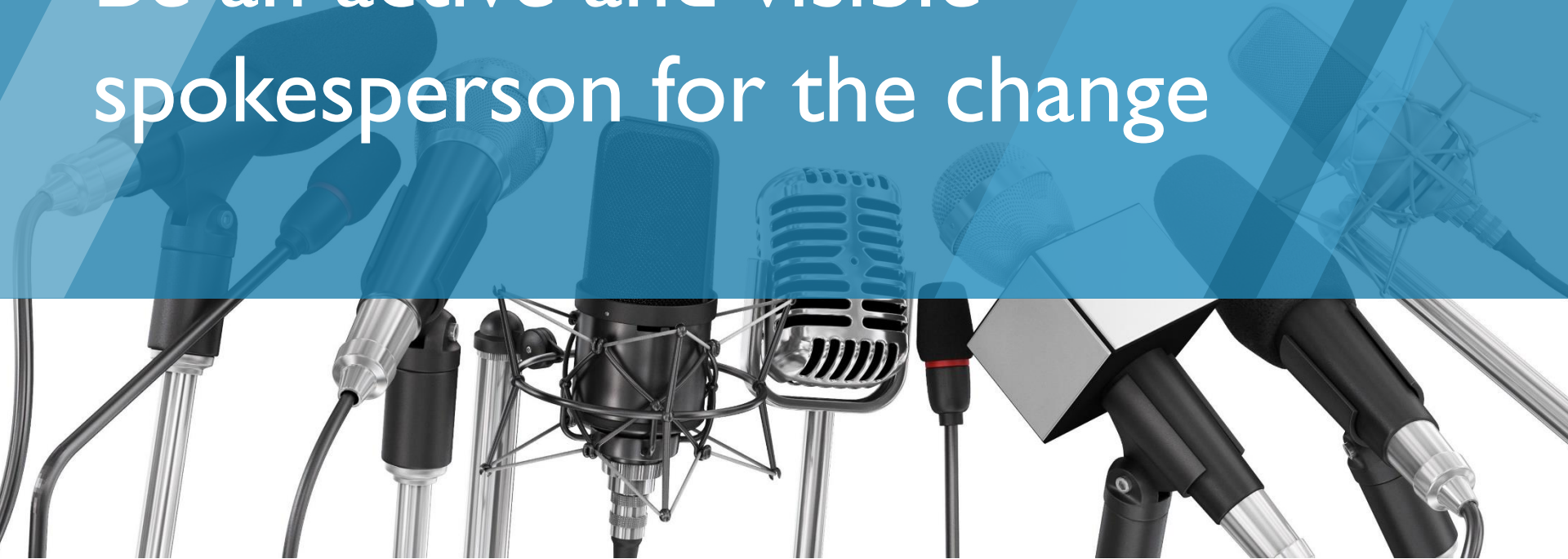
- On the surface: Organizations anchored in their brick and mortar cannot keep up with the demands of digital.



- Digging deeper into Amazon's organization...
 - Focus on the future helps drive their innovative culture.
 - Promote trying new ideas.
 - Challenge old norms.
 - Keep customer service in view.

Questions?

Be an active and visible spokesperson for the change



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Background Material / Harvard Business Review plus

- <https://hbr.org/2015/12/5-ways-to-close-the-strategy-to-execution-gap>
- <https://hbr.org/2017/11/how-the-most-successful-teams-bridge-the-strategy-execution-gap>
- <https://hbr.org/ideacast/2016/02/closing-the-strategy-execution-gap.html>
- <https://hbr.org/2017/11/executives-fail-to-execute-strategy-because-theyre-too-internally-focused>
- <https://hbr.org/2015/06/75-of-cross-functional-teams-are-dysfunctional>
- <https://www.mckinsey.com/business-functions/organization/our-insights/how-to-beat-the-transformation-odds>
- https://www.researchgate.net/publication/264004530_Strategy_implementation_What_is_the_failure_rate

Thank You!

