

# Driving a New Culture to Embrace the Digital Age

Executive Opportunities Forum  
December 10, 2019

# 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.



COLLABORATION

## 75% of Cross-Functional Teams Are Dysfunctional

by [Behnam Tabrizi](#)

JUNE 23, 2015

# 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.

# What Brought us Here won't Take Us There

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

# What brought us here...



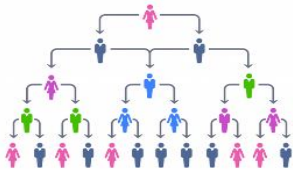
## 1850's

- One product at a time.
- Heavily focused on craftsmen and craftsmanship.
- Slow and highly variable results.



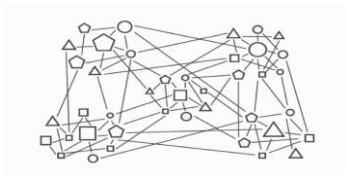
## 1890's

- 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

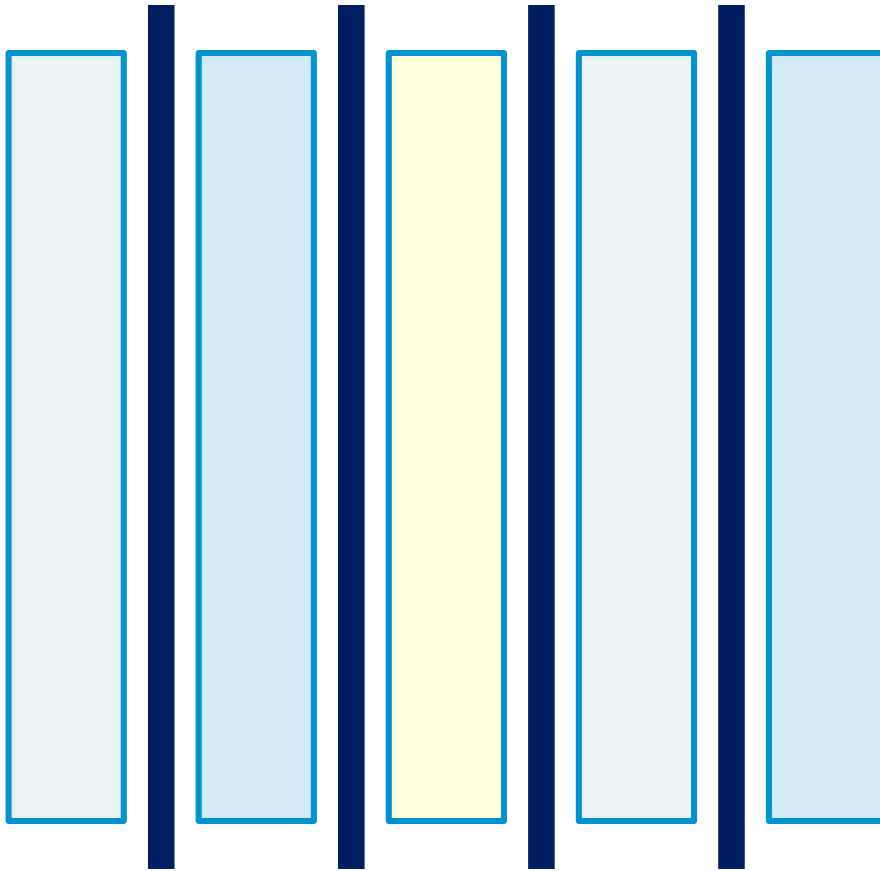
- Greater and greater efficiency.
- More specialization, moving to back office functions.
- Driving more and more cost out of production.



## 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.

# Indicators of the need for cultural change



- Project failure rates.
- Confusion about “empowerment.”
- Misalignment of rewards.
- ERP and Knowledge Management failures.

# The Root Cause: Cross Functional Dysfunction

## Symptom

Misaligned goals

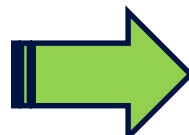
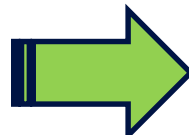
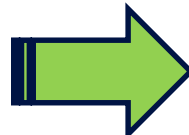
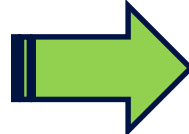
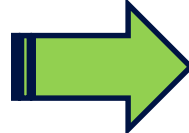
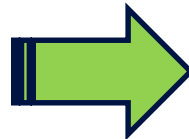
Confusion about goals

Confusion about how to proceed

Leaders resist giving up power

Fear of working across functions

Top-down management



## Solution

Clear purpose with outcomes

Clarity and context

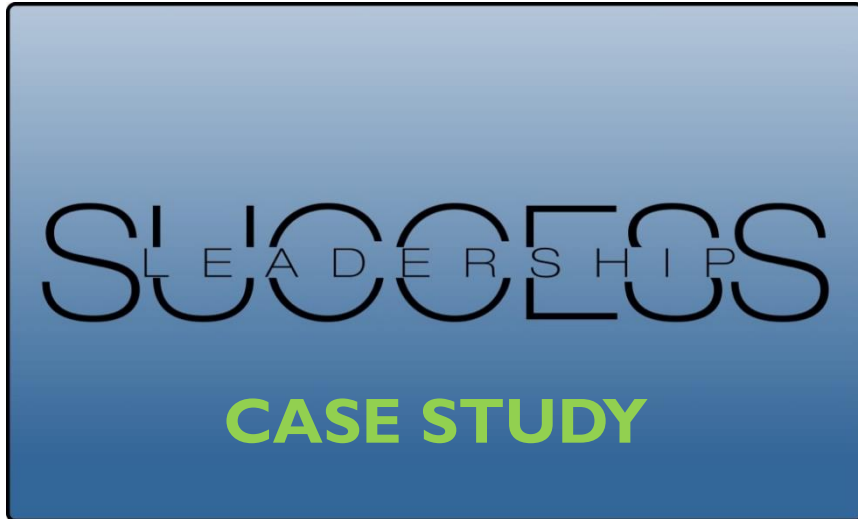
Provide development opportunities

Greater openness and trust

Collaboration

Coach

# Leaders Must Create the Environment



- **Purpose:** Be clear about the purpose of the cultural change, stated in outcomes to which employees can relate. Well developed purpose challenges, inspires and is measurable. Be transparent. Focus on the customer
- **Empower:** More than a buzz word – inform, delegate, coach and provide tools for decision making. Encourage diversity of background, thinking and expertise.
- **Structure:** Give up traditional command and control in favor of a more facilitative approach. Don't fiddle with the org chart until you master some of the behaviors.
- **Leadership:** Model and require more openness, more willingness and a greater propensity to trust and effectively challenge each other.
- **Collaborate:** Demonstrate collaboration with your leadership team. Promote and model the idea that employees across the organization work together to drive outcomes.
- **Coach:** Become a coach, helping direct reports, and the entire organization drive to results using these new behaviors. Reward collaboration.



# The results?



**Improved  
Productivity**

**Greater Innovation**

**Employee  
Development**

**Customer Satisfaction**

# Group Scores

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3.0

3.4

3.5

3.4

3.5

3.6

Rarely = 1  
Sometimes = 2  
Usually = 3  
Always = 4

# Questions?

# Steve Salisbury Consulting

- Closing the gap between strategy and execution by:
  - Building transformational leaders
  - Building stakeholder relationships and aligning leaders
  - Enrolling employees in the transformation

**BUILD**  
HOPE. LIVES. FUTURES.

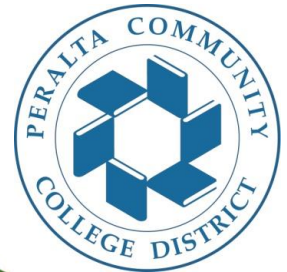
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# Appendix: Reference Materials and Tools

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- Books related to the subject.
- Articles and studies.
- Delegation.
- Decision support tools.
  - Situation analysis
  - Problem analysis
  - Decision analysis
  - Prevention

Thank You!

# Reference Books

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- Lencioni, Patrick. 2002. *The Five Dysfunctions of a Team: A Leadership Fable*. Jossey-Bass.
- Lencioni, Patrick. 2016. *The Ideal Team Player: How to Recognize and Cultivate The Three Essential Virtues*. Jossey-Bass.
- Lepsinger, Richard. 2010. *Closing the Execution Gap: How Great Leaders and Their Companies Get Result*. John Wiley & Sons.
- McChrystal, Stanley, General. 2015. *Team of Teams*. Portfolio.



# Background and Research Material

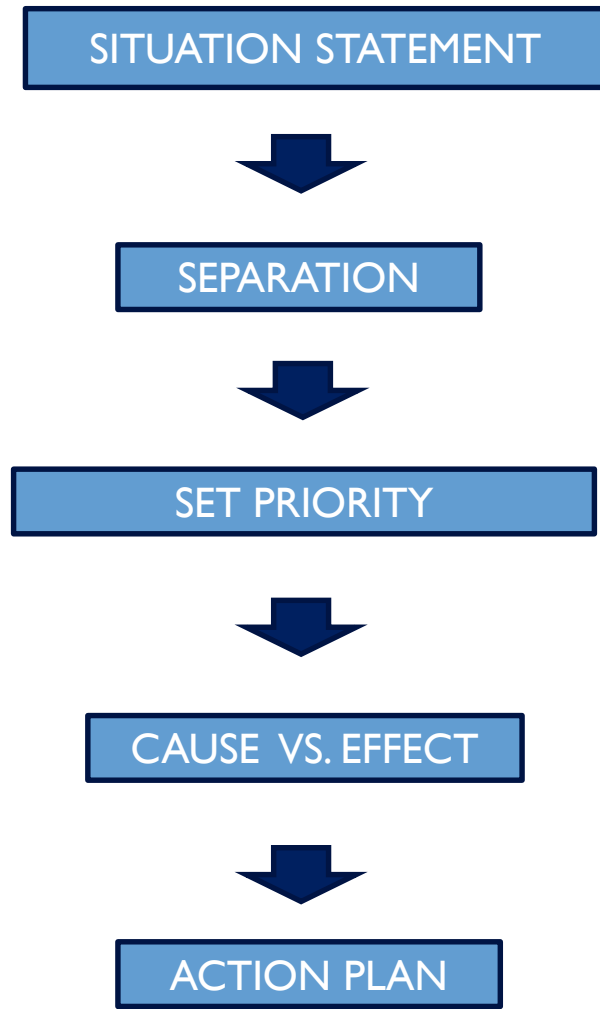
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- <https://hbr.org/2015/12/5-ways-to-close-the-strategy-to-execution-gap>
- <https://hbr.org/2017/11/how-the-most-successful-teams-bridge-the-strategy-execution-gap>
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- <https://hbr.org/2017/11/executives-fail-to-execute-strategy-because-theyre-too-internally-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](https://www.researchgate.net/publication/264004530_Strategy_implementation_What_is_the_failure_rate)

# Six Steps to Better Delegation

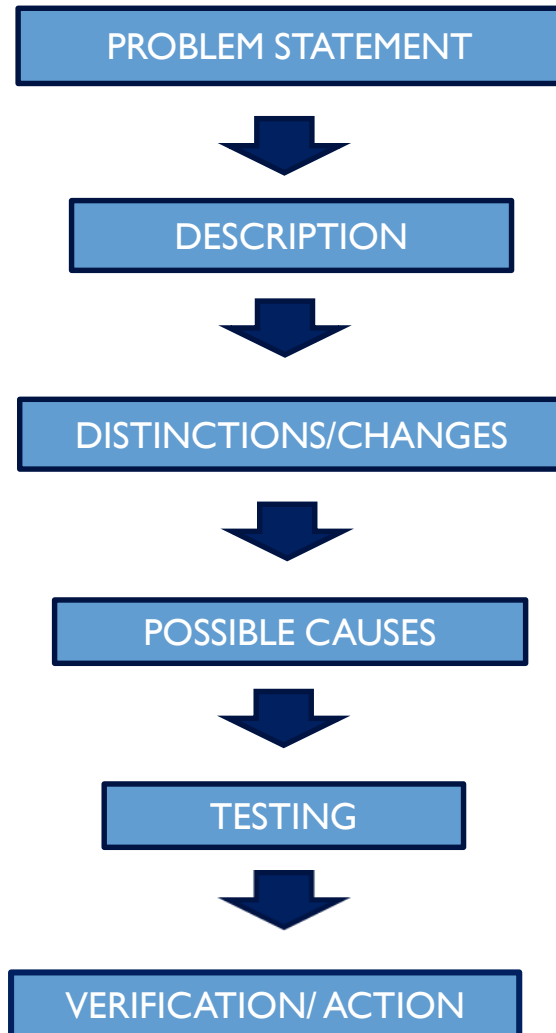
- **Identify a specific individual**
  - Someone who can do the job. Match the assignment to the individual.
  - Make the assignment a challenge for the individual, but not overwhelming.
- **Give the whole picture and describe the end result**
  - Explain the setting and circumstances under which the delegated assignment will take place.
  - Begin with the end in mind.
  - Describe the ultimate result you are looking for.
  - No one is as intuitive as you might think.
  - Paint the entire picture of what the end looks like.
- **Share the decision**
  - Identify a reason why the selected individual is suited to the assignment.
  - Tell the individual why they were selected, and that their experience, expertise and knowledge is key to the success of the assignment.
  - If appropriate, you may ask the individual how they feel about how their abilities related to the assignment.
- **Emphasize the importance**
  - What is obvious to you may not be obvious to another.
  - Identify the customer, and why this is important to them.
  - What is the customer looking for?
- **Establish a trigger point**
  - Agree on a time and place when you can meet or talk two or more days before the assignment is due.
  - Allow enough time for the individual to complete any unfinished work.
  - Follow up with answers to any questions there may be.
- **Follow up and give recognition**
  - Make a special note to give a report on how the assignment was handled.
  - Allow the individual to report on his work.
  - Make the work public knowledge.
  - Praise the effort in front of others.

# Situation Analysis



- What is the situation?
- What is the concern?
  
- What are the contributing factors?
- What do you mean by this?
  
- What is the seriousness? (\$\$, impact, size)
- What is the urgency (time, deadline)
- What is the growth? (trend)
  
- Is this a sub-issue contributing to the problem (cause) or a symptom (effect)?
  
- What are the high priority sub-issues?
- What should be done, by whom and when?

# Problem Analysis



- What is wrong (defect) with what object?
- WHAT- What objects has the problem? What is wrong with the object?
- WHERE- Where is the object located? Where is the defect located on the object?
- WHEN- When was the problem first observed?
- What is the distinctive about the “IS” information?
- What has changed?
- What about this change could cause this problem?
- If this is the cause could it explain the description?
- How can we verify the cause?
- What action should be taken?

# Decision Analysis



- What is the purpose of this decision?
- What is to be accomplished?
  
- What factors are important?
- Is the criteria mandatory, measurable(MUST) or desirable (WANT)?
- How important is this WANT?
  
- What are the alternatives?
- How does each perform against each MUST?
- How do the remaining alternatives perform against WANT?
  
- What can go wrong with this alternative (risk)?
- What is the probability and seriousness of this risk
  
- Which alternative will perform the best?

# Prevention

PLANNING STATEMENT



LIST STEPS



POTENTIAL PROBLEMS



PREVENTIVE/CONTINGENT ACTION



MODIFY PLAN

- What is the action, change or plan?
- Where will it be implemented?
- When must it be completed?
  
- What are the steps of this plan or change?
  
- What can go wrong in each critical step?
- What is the probability and seriousness of each potential problem?
- What action will reduce the probability of this problem occurring (Preventive)?
  
- What action will reduce the seriousness if the problem occurs (Contingent)
  
- Where does each Preventive and Contingent Action belong in the original plan?

