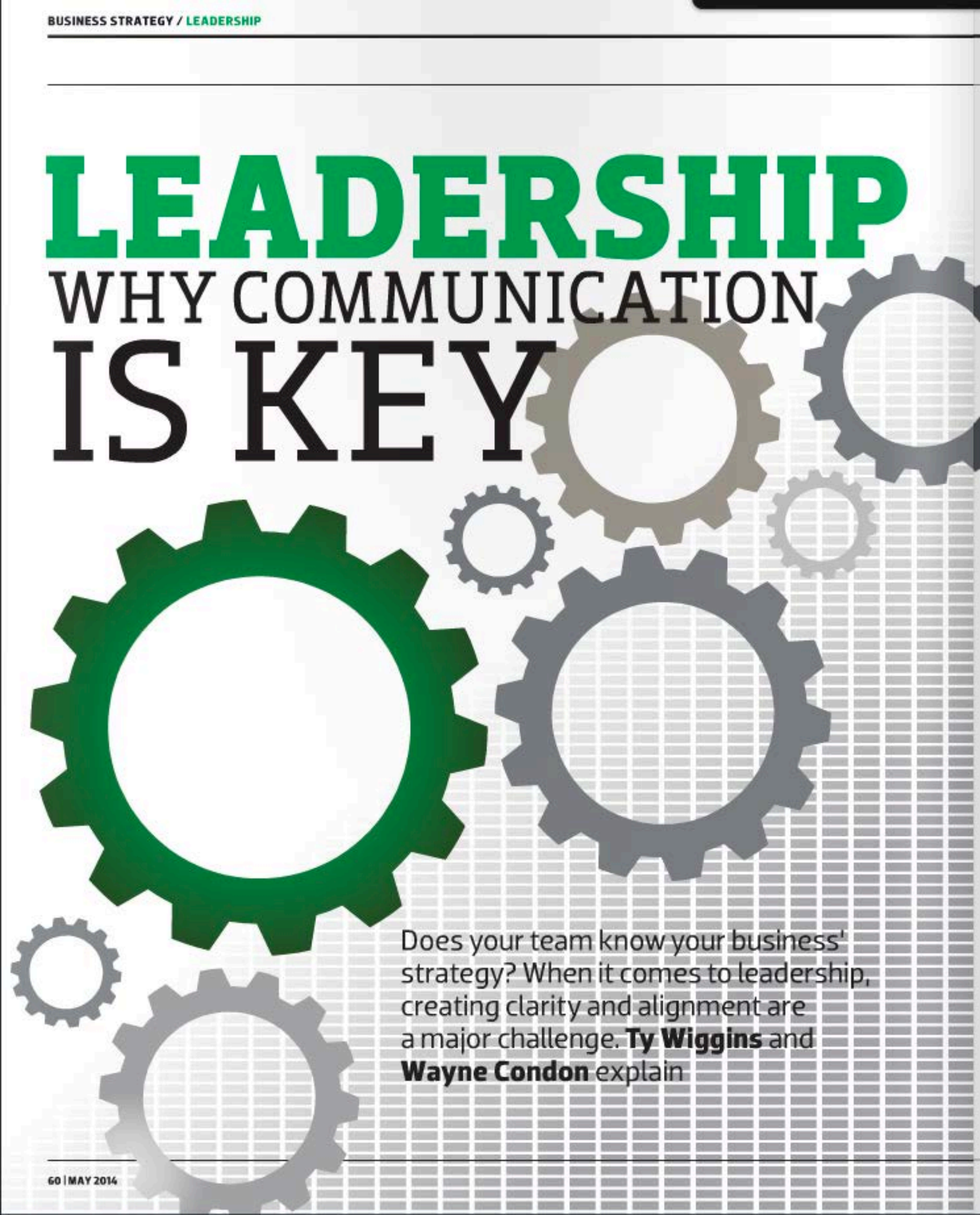


# LEADERSHIP

WHY COMMUNICATION

IS KEY



Does your team know your business' strategy? When it comes to leadership, creating clarity and alignment are a major challenge. **Ty Wiggins** and **Wayne Condon** explain

The inability to communicate an organisation's strategy and vision for the future continues to challenge many Australian business leaders, and is driving home the reality that in scores of companies the senior people charged with executing strategy do not have a 'clear line of sight' in terms of understanding how to do their jobs and deliver the business plan.

If the leader can't succinctly articulate the business strategy in terms that are clear and positive, then how can line managers and staff be expected to commit with enthusiasm and dedication to the realisation of the company's long-term goals and aspirations?

A well-understood statement of strategy aligns behaviour and creates a guiding light for performance

Melbourne University's Centre of Workplace Leadership released the results of a survey of 2,000 employed Australians recently, and found that 75% of them agreed that there needs to be better management and leadership in the workplace. This sentiment was consistent across age groups, industries and gender breakdowns.

### MANAGEMENT CHALLENGES

Although there appeared to be a skills gap, the Centre emphasised that the business environment has changed dramatically in the last 10 years, and that has brought on challenges of managing people, managing change and the environment.

Interestingly, although the majority of people were dissatisfied with management, the same amount (75%) believed that they had the skills and capabilities to be good leaders.

One of the challenges to addressing this issue is the absence within organisations of a common language around strategy. There is often a common language in terms of clients, processes and culture but rarely in terms of the strategy. Leaders sprout the mission, vision, strategy, competitive advantage,

strategic objectives, etc without first defining these terms for their organisation. It is not uncommon for these regularly used terms to have different meanings between organisations.

So what are the key terms that leaders should be able to articulate at any given point in time? Here is a hierarchy of company statements that leaders must be able to articulate and 'sell' into their organisations and to external shareholders.

## HIERARCHY OF STATEMENTS

### MISSION

Why we exist

### VALUES

What we believe in and how we will behave

### VISION

What we want to be

### STRATEGY

What our competitive gameplan will be

### BALANCED SCOREBOARD

How we will monitor and implement the plan

### THE BASIC ELEMENTS OF A STRATEGY STATEMENT

#### OBJECTIVE

= ENDS

#### SCOPE

= DOMAIN

#### ADVANTAGE

= MEANS

A business that is clear about these statements will find that their employees are better equipped to make day-to-day decisions in line with strategy, and thus be working to move the business forward. Organisations that aren't clear about these statements tend to report high levels of frustration, moving to apathy, amongst their staff.

Research has shown that in many organisations the majority of employees are unaware and lack understanding about the vision and strategy of the business they work within. Kaplan and Norton found that "95% of employees are unaware of or do not understand the organisation's strategy".

### ALARMING RESULTS

A recent study in Australia asked employees from 20 major companies to pick their company's strategy

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from a choice of six options. Considering that they had a 17% chance due to sheer luck, the results at 29.3% were very alarming. These were significant companies with large market shares and clear competitors.

In these challenging economic times the greatest test to the leadership and management skills of leaders is the ability to bridge the gap between strategy, vision and results. Bridging this gap and then aligning the organisation to the strategic direction are ultimately the key factors that determine the leader's success or failure.

Time is another critical factor that CEOs must contend with, as the dynamic, highly competitive commercial environment requires that they rapidly build rapport, management confidence and expertise to deliver on the business vision and strategy.

If a change in strategy or direction is required due to internal or external forces, then leaders must be positioned to assess and decide the change quickly, then communicate it to the organisation with clarity around new priorities. Sixty-four per cent of executives report they have too many conflicting priorities, and this works like a handbrake on the business.

### WHAT'S THE PLAN?

Vision and mission are important, they need to be clear and relevant, but the true differentiation for a company is the strategy statement. What's the plan and what sets this company apart? Regrettably, too often executives assume that the fiscal business direction described in voluminous documentation will ensure corporate and competitive success.

Leaders then go on to lament that 'their' vision and strategy should be clearly understood and that the problem lies with the business units failing to understand the direction and objectives.

A well-understood statement of strategy aligns behaviour and creates a guiding light for performance; and when the plan is clear, then the decision-making by teams and areas within the company is so much easier and effective."

Think of an organisation as a collection of iron filings sitting on a sheet of paper, and each one represents an employee, a process, a system or an employee function or action. Scoop them up and drop them and the filings will inevitably be pointing in every direction.

The result is grinding non-productivity at best, chaos at worst: no different to smart people working

hard and making what they think are the right decisions for the company – but with the net result of confusion.

If you pass a magnet under those filings, what happens? They line up! The magnet is the clarity and alignment of purpose and direction – in other words the role of the business' leader.

Similarly, a well prepared, relevant, clearly delivered and, most importantly, well-understood statement of strategy aligns behaviour within the business. It allows everyone in the organisation to make individual choices that reinforce one another, rendering those employees exponentially more effective.

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Therein lies the problem, and the dilemma for leaders. Far too many leaders and senior managers in business are not achieving a fundamental goal of having their plans understood, and yet most agree that it's essential for the success of the business. Without clear understanding and articulation of the business strategy it is impossible to achieve the results the leader and organisation are capable of delivering across financial and cultural measures.

One of the greatest management challenges for 2014 is to increase productivity with existing resources, whilst delivering on customer expectations. The best and most effective leaders are the ones that understand and appreciate that their role is to get every employee to identify with and focus their efforts on the attainment of the individual and collective business goal. **MPA**

**Ty Wiggins** and **Wayne Condon** are principals and founders of Converge Consulting. Founded in 2012, Converge Consulting assists businesses with closing the strategy to performance gap, innovative business model design and effective leadership development.