The six systems of organizational effectiveness

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ABSTRACT

When leaders maximize their contribution to daily conversations, they engage and align people around a common cause, reduce uncertainty, keep people focused, equip people for moments of truth that create an on-the-table culture, prevent excuses, learn from experience, treat mistakes as intellectual capital, and leverage the power of leadership decisions to shape beliefs and behaviours. 3. Operations need to be focused on the priority work, using the most effective techniques-aligning initiatives and operations with strategy; continuously improving operations; pursuing performance breakthroughs in key areas; using advanced change techniques in support of major initiatives; establishing a pattern of executive sponsorship for all initiatives; and building future capability and capacity. 5.

FULL TEXT

New Delhi, Nov. 20 — When the Leadership System functions effectively, performance improves. The Leadership System is the central organizing system that must deliver on all functions owned by the Top Team or C-Suite. These functions include and require that leadership become cohesive, define the future (vision), set direction, create and execute strategy, ensure alignment, communicate clarity, engage stakeholders, develop talent, manage performance, build accountability, ensure succession, allocate resources, craft the culture, and deliver results. The Leadership System is the organization's DNA, its genetic code or distinctive brand. It sets the context that produces all outcomes, gives everything its meaning, and indicates what we are predisposed to doing and being. The effectiveness of the Leadership System determines the performance of the business.

Does your Leadership System predispose you to quality, agility, speed, stakeholder engagement, profitable growth, fulfilment, competitive advantage and strong financial performance? How can we improve business performance by establishing a healthy Leadership System?

We use our proven Whole Systems Approach to advance the Six Systems of organizational effectiveness. This approach to developing the organization, with leadership at the core, balances the development of competence and capability with consciousness and character, and transforms any enterprise into a profitable and purposeful organization. Every essential system is integrated and aligned, and every stakeholder is involved.

The Six Systems are broader in scope than functional departments and must be understood independently and interdependently as part of an integrated whole. These Six Systems set up the conditions and components necessary to create a healthy, high-performing organization.

- 1. Leadership: To achieve high performance or sustain results, leaders must define and refine key processes and execute them with daily discipline. They must translate vision and values into strategy and objectives, processes and practices, actions and accountabilities, execution and performance. Leaders address three questions:
- 1) Vision/Value. What unique value do we bring to our customers to gain competitive advantage? What do we do, for whom? Why?
- 2) Strategy/Approach. In what distinctive manner do we fulfil the unique needs of our customers and stakeholders? What strategy supports the vision for achieving competitive advantage?
- 3) Structure/Alignment. What is the designed alignment of structure and strategy, technology and people,



practices and processes, leadership and culture, measurement and control? Are these elements designed and aligned to create optimal conditions for achieving the vision?

2. Communication: Everything happens in or because of a conversation, and every exchange is a potential moment of truth-a point of failure or critical link in the success chain. Strategic communication ensures that the impact of your message is consistent with your intentions, and results in understanding. What you say, the way you say it, where, when and under what circumstances it is said shape the performance culture.

When leaders maximize their contribution to daily conversations, they engage and align people around a common cause, reduce uncertainty, keep people focused, equip people for moments of truth that create an on-the-table culture, prevent excuses, learn from experience, treat mistakes as intellectual capital, and leverage the power of leadership decisions to shape beliefs and behaviours.

- 3. Accountability: Leaders translate vision and strategic direction into goals and objectives, actions and accountabilities. Performance accountability systems clarify what is expected of people and align consequences or rewards with actual performance. Leaders need to build discipline into their leadership process and management cycle to achieve accountability, predictability, learning, renewal and sustainability.
- 4. Delivery: The best organizations develop simple processes that are internally efficient, locally responsive and globally adaptable. Complexity is removed from the customer experience to enable them to engage you in ways that are both elegant and satisfying. Establishing and optimizing operational performance is an ongoing journey. Operations need to be focused on the priority work, using the most effective techniques-aligning initiatives and operations with strategy; continuously improving operations; pursuing performance breakthroughs in key areas; using advanced change techniques in support of major initiatives; establishing a pattern of executive sponsorship for all initiatives; and building future capability and capacity.
- 5. Performance: The Human Performance System is designed to attract, develop and retain the most talented people. The idea is to hire the best people and help them develop their skills, talents and knowledge over time. Of course, it becomes more critical as they add abilities and know-how, that we reward them properly so they feel good about their work and choose to remain with the organization as loyal employees.
- 6. Measurement: A system of metrics, reviews and course corrections keeps the business on track. Organizations need concrete measures that facilitate quality control, consistent behaviours, and predictable productivity and results. Within these parameters, control is instrumental to viability and profitability. Every activity has a set of daily rituals and measures.

Leaders establish and maintain the measurement system to ensure disciplined processes. They track progress against strategy and planning; review status on operational results through clear key metrics; update the strategy regularly; and ensure action is driven by insight based on relevant, current information that is focused on achieving the vision.

This Six Systems frame helps people see how everything is integrated. Again, until the Leadership System operates effectively, all other systems are degraded. We work with leaders to ensure their Leadership System is highly effective, and we have dozens of cases that demonstrate the power of using a Whole Systems Approach. Throughout our careers, we have partnered with CEOs and their teams across dozens of organizations and can say with confidence that successful transformation efforts were those in which the Extended Leadership Team did its work of mastering leadership and improving their individual and collective effectiveness while tending to the health of the Leadership System. These transformation efforts were not only successful, but more importantly, the success was sustained over time.

Sadly, we also witnessed transformation efforts that were less than successful and in some cases failed. These failures could be linked directly to a failure of leadership to consciously transform individually and collectively. Without a mature, highly evolved and fully functioning Leadership System, transformation efforts will not succeed. Published by HT Syndication with permission from MINT.

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DETAILS

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