

Outperform in Uncertain Times: Organise to Be Ready for When the 'Next Normal' Arrives

As Boards and CEOs, the task is clear: To lead organisations – teams – that will outperform in uncertain times. Leaders know that an organisation that has succeeded previously has no given right to do so in a new situation. Some change will be required.

Disruption creates a golden opportunity and some clear risks. How can you organise to ensure **outperformance in your 'next normal'?**

Previously in our Way Ahead series we addressed the most important **4 principles to apply when Leaders rethink their organisation:**

- I **Sharp focus:** Only when your resources are concentrated on where you create value, is your organisation set up for success
- I **Full flexibility:** Speed and readiness for leaders to adapt cost base, supply chain, people, strategy and organisation structure
- I **Complete sustainability:** Resilience in economy, in organisation purpose and in leader accountability
- I **Networked teams:** Networking across teams reduces silos, accelerates learning, allows knowledge to flow more freely and creates more opportunities

But how in practice should any organisation design review be conducted?

Applying these 4 principles to your situation requires you to continuously review structural, cultural and leadership dimensions. Here, to help, are the key questions to answer – in order to analyse the move from what you are, to what you need to be. To provide additional perspectives, each question set is accompanied by the main themes defining the 'next normal' reported by CEOs and Executives amongst our clients.

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors, as they find their organisations Way Ahead. In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges. Advice focussed on how leaders can ensure their organisations – teams – outperform, through and beyond whatever uncertainty lays ahead.

Structural

Purpose, organisation design, operating model, strategy and processes will affect performance

1. **Purpose and direction:** What is your organisation's commonly understood basic idea? What is your strategy to create value? How clear are your organisation's objectives and performance expectations?
2. **Organisation design:** How should responsibilities and tasks be allocated within your organisation? How can your processes be more efficient? Does your set-up enable effective sales, delivery, communication and operations?
3. **Decision making:** How do employees in your organisation participate in making the decisions that affect them directly? How much decision power do you delegate and to whom?
4. **Strategy communication:** How are your employees informed on essential areas in relation to their job and the organisation in general? What technology and other methods do you use?
5. **Reward and recognition:** Are your reward allocations (i.e. salary increases, promotions) based on employee performance criteria? How transparent and consistent are these? Does the way you reward reinforce desired changes and behaviour?

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Structural: Perspectives on the 'Next Normal' from leaders in our client group.

Purpose: Purpose-driven leadership, where making an impact and inspiring others to do so will be even more important in the future war for talent.

Digital: Remote working, 'work from anywhere' and 'hybrid' become ubiquitous in many sectors and/or role types. Online education and E-Commerce reshape learning and shopping behaviours (but not for all – see digital inequality below).

Resilience rather than efficiency: Many companies move away from 'Just-in-time' to 'Just-in-case' supply chains and inventory strategies.

Local as the new global: Global trends and 'tech' may still prevail, but people are more local; the return of nationalism with new face – even health and resource nationalism? In some region's nationalism views with post-war alliance thinking and changes previously settled relationships (e.g., but not only, Brexit).

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Cultural

Employees values, vision and engagement will release or restrict the potential of your organisation

6. **Employee co-operation:** Do your team members identify with the organisation as a whole or only with their particular workgroup or field of professional expertise? Are colleagues working to fulfil the needs of the organisation or the needs of themselves? How do they co-operate?
7. **Employee commitment:** Do employees have their own high-performance standards towards efforts and results? Are colleagues motivated and able to initiate and take on extra tasks?
8. **Employee motivation:** Are your employees encouraged to seek or avoid risk? How is risk evaluated and controlled by managers in your organisation? How are new ideas collected and processed?
9. **Risk and innovation management:** Do your employees trust your leaders? In which areas is confidence least and most? Is direction clear? How confident are your stakeholders in your leadership?
10. **Conflict management:** How do leaders and managers provide assistance to colleagues? What is the best way for your managers to pursue targets and achieve results? Is there the 'right balance' between standards, cost control, authority and specialisation versus opportunism, engagement and team spirit?

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Cultural: Perspectives on the 'Next Normal' from leaders in our client group:

Diversity in all dimensions – from adapting to the "gig economy" to handling old gender inequalities in new and better ways – society and business rightly puts more attention on diversity.

Digital inequality: Access to digital tools and skills is a new and profound source of inequality that compounds existing social injustices.

Innovation abundance. Vaccine development, medical advances, digital remedies for physical challenges. As with severe previous shocks, new ideas flourish in the wake of the initial crisis. Green tech, fin-tech, health tech, and more. Incumbents prior strength no indication of future success. Some anxiety also abounds.

Mindset change is underway. Shifts occur in humans' attitudes and behaviour – at work and in life. Basic questions about how we all want to live our lives come to the fore and change how people make decisions about jobs, work and society.

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Leadership

Leaders' ability to formulate strategy, implement strategy, manage operations and manage stakeholders will determine your organisation's success

11. **Strategic insight:** Which leaders really understand the situation your organisation and the individuals within it face? How do your leaders measure performance, understand the customers' voice and learn?
12. **Envisioning ability:** Does your leadership have a clear view of the future? What is it? How aligned are your leaders to your strategy and to each other? How do they innovate?
13. **Decision making:** To what degree do your leaders make fact-based decisions? Are your managers able to decide and act effectively?
14. **Implementation skill:** Do your employees trust your leaders? In which areas is confidence least and most? Is direction clear? How aligned are your stakeholders in your leadership?
15. **Operational management:** How do leaders and managers provide assistance to colleagues? What is the best way for your managers to pursue targets and achieve results? Is there the right balance between standards, cost control, authority and specialisation versus opportunism, engagement and team spirit?

Whether you need to grow, change or improve leader performance, these questions on structure, culture and leadership are the most important to organise for success. The answers will help you decide what should be kept, enhanced, completely changed or started anew in your organisation.

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Leadership: Perspectives on the 'Next Normal' from leaders in our client group:

Fresh Leaders(hip) needs new capabilities – the critical capabilities leaders must have change. Uncertainty is a normal state in which the leader must thrive – no longer something to be managed in phases or avoided. Leadership complexity increases. Generalised ideas of 'good leadership' are questioned, instead a more precise match between leader and task is needed. Providing purpose and learning faster is often raised.

Sustainability: Climate and social responsibility takes the centre stage. As emissions bounce back opportunities for smart, clean, inclusive growth abound. Organisations, even whole sectors, that aren't sustainable become weak more quickly – regardless of their former might.

Data-centric people and management practices – the impact of people on results, and the allocation of people resource becomes more evidence based and transparent. Metrics become more commonplace.

Humanity to the fore and AI in flux. "A predictable world can be beat with algorithms and equations. A messy world cannot, even in an age of increasingly intelligent machines". Humanity more firmly shapes technology and human intelligence is needed to augment data.

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Old ideas of re-organising every few years don't fit the future of work. Rather leaders must always be agile and constantly organise for success. The next normal is in constant flux. If you need to find out more about how to objectively evaluate the performance of your organisation and the changes you may need to make, contact our team.