

## Thinking Dimensions Global

Insights and Actions for Executives

# CEO P.O.V.

**Organizational Scarring – Too Many Strategic Initiatives**  
*How to Prevent Unintentional Undermining of Employee Focus  
and Performance*

## ORGANIZATIONAL SCARRING – TOO MANY STRATEGIC INITIATIVES:

### HOW TO PREVENT UNINTENTIONAL UNDERMINING OF EMPLOYEE FOCUS AND PERFORMANCE

*POV of article: CEO must strive to have the critical few organizational initiatives that are strategy based and connected to measureable goals. If the thinking behind the initiatives is not made visible with clear criteria the company's change capacity is sorely diminished.*

#### I. The Situation – Wanting to Drive Improved Performance

Zulutech is a mid-sized technology manufacturer that has just begun to implement a “latest fad” quality initiative to increase productivity by eliminating defects and waste. The system is all in the rage in its industry, and came at a high price, but management hopes it will pay off in the long run with lower costs and higher profit margins. But for some reason employees just aren’t buying in – even after the mandated training of all employees on the new initiative. It’s more than just the usual resistance to change or union intransigence. In fact, some employees are actively sabotaging manager’s attempts to impose the system.

scar [skahr]

**noun, verb,  
scarred,  
scar-ring.**

**noun**

**1.** a lasting aftereffect of trouble, especially a lasting psychological injury resulting from suffering or trauma.

**2.** a precipitous, rocky place; cliff

**3.** Too many initiatives causing employees to rebel against change

Meanwhile, the CEO of a small sized business – Cleanline Telecommunication, a wireless supplier that has carved out a niche business, has just read a top new business book on strategic growth in new markets delivered through breakthrough innovation that will significantly change the existing focus of the company. His “research” show that’s where the business will be in future – innovation will keep us ahead of the competition. So he tells his five employees that everything around them is open to innovation.

The sales manager isn’t sure what that means, and is in the dark on how to proceed. Besides, the CEO has made these declarations before and they’ve only lasted until he has become enamored with another initiative. So the sales manager continues to operate as he always did, working his same prospecting trap line. The CEO grows increasingly frustrated because his team isn’t on the same page. And after the initial kickoff and corporate town hall meeting – everything has gone back to normal or at best they are using the “initiative buzz” words only when the CEO is around.

How could organized systems with such laudable goals go so wrong?

## II. The Result – Organizational Scarring

Zulutech and Cleanline, like many large and small companies today, suffer from Organizational Scarring. Over time, they have tried several initiatives, and they always petered out. Personnel often bought in to the first one but after newer and often conflicting ones were imposed, developed thick scars to help them cope with this constant careening from one initiative to the next to another. In management jargon, the company has maligned the “elasticity” of scarce resources, the scarcest of which is its people’s hearts and souls.



*Too many  
initiatives  
and false  
starts deliver  
apathy for  
change*

Organizational scarring is rampant among organizations today because there are so many initiatives out there pushed by various management gurus of the month who have turned managers into consumers of complicated improvement systems. Total Quality Management, Six Sigma, Balanced Scorecard and other systems, while often very useful, are just as often implemented simply because they're management fads, or because of best-practice pressure – the “everyone is doing it so we have to too” syndrome.

The result is usually unclear thinking or planning that generates a series of false starts: Focus is fuzzy, and organizational goals are not considered fully; buildings of capabilities for the systems are not derived from their strategic requirements; managers may not have been fully apprised of the impact of what they're doing. Because they spend so much time working in an organizational environment, employees have their antennae tuned in constantly to what's happening around them. When executives go on the road show circuit for a few weeks, or call a “special one-time meeting” they know it likely means big changes for them.

And they've become familiar with the results – often a demand for instant change. But if those changes aren't planned and executed well, the initiative to change will fade, and they'll go back to familiar comfort zones, doing what they always did – and who could blame them – they were never asked for their input.

Over time, this lack of strategic and collaborative consistency diminishes the capacity of the organization to evolve to higher levels of performance. The incentive to change does not outweigh the pain. Employees develop calluses and so they respond to each initiative by hunkering down and waiting for the storm to pass over. Eventually these calluses accumulate at all levels and the organization becomes immovable and incapable of any kind of change. Inherently – they are waiting for the management to scratch this initiative and move on to the next.

If every business initiative brought forth by management is blown off by employees, it may be time to take some tips on dealing with organizational scarring. Learn how to better your business organization and boost performance.

### III. The Solution – Strategic Alignment and Clarity of Intent

Organizations can expedite their business performance through strategically and operationally legitimate initiatives and avoid Organizational Scarring if they:

1. **Make thinking visible** – Including employees and others in the strategic intent and assumptions behind a project, and management of it, spreads ownership and commitment.
2. **Align and connect processes and people** (organizational capabilities) to the strategic initiative. Ensure the change initiative is derived from the positioning or advantage that differentiates your company. Initiatives are a means not the end.
3. **Involve all levels of stakeholders** when outlining the requirements, objectives and constraints for the initiatives. Show each group them “what’s in it for them and ‘how their role” assists the overall program.
4. **Set clear expectations, consequences and feedback** loops to fully engage all employees in the driving enhanced performance in the organization.
5. **Measure and monitor both formal and informal indicators** of success that will allow you to manage and gauge impact from the initiative. The implementation of any initiative to improve performance is better recognized as a process not an event.

*This article was authored by Tim Lewko, Managing Partner of the Global Strategy Practice and Executive Director of Thinking Dimensions.*

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