

WHITE PAPER

Navigating in an Unpredictable and Complex World - Why Thinking Agility is Critical to a Manager's Success



Thinking Agility White Paper : Paper in Brief

- **Discover** how today's business complexities are requiring managers and emerging leaders to become more nimble and adaptable.
- **Explore** new strategies for building managerial agility based on what we know about thinking and the brain.
- Learn a thinking-based approach that helps managers quickly optimise the way work gets done, take decisive action even when there are no clear-cut answers, and tap into the diverse perspectives necessary to achieve breakthrough results.
- Get practical tips for increasing your managers' thinking agility in four key areas to improve performance and accelerate business outcomes.

Looking back at the business environment of the last 20 years, it's easy to draw some parallels to today. The world's major markets were struggling to dig out from a recession, more companies were beginning to deal with the complexities of globalisation.

Downsizing and cost-cutting measures had heaped more responsibilities on fewer people with fewer resources to get things done.

But for all the similarities, it's the differences that are most striking:

The customer holds more cards.

Customers' perceptions and expectations of a company used to be formed by the organisation's carefully controlled messages. In an era that has spawned the phrase "Chief Executive Customer," managers are now dealing with the challenges of engaging and meeting the needs of a highly informed but also increasingly attention-strapped customer base.

Structure is giving way to fluidity.

Twenty years ago, hierarchies, roles, and structures were fairly well defined, and the workplace of the early 2000s wasn't much different. Today's managers, however, are dealing with a much more fluid environment, whether it's shifting priorities, virtual teaming, cross-functional responsibilities, or more informal and just-in-time communication modes.



Technology advances are making things easier ...and more complicated.

Technology has profoundly impacted not just how we do our work, but the nature of the work itself. We've gone from pagers, fax machines, and main-frames to anytime access, to more information than ever before right in the palms of our hands. More data than a manager from 1992 could collect within hours of research can be found within seconds today — a convenience that is sometimes as distracting and overwhelming as it is helpful.

Globalisation is hitting home for every organisation.

Technology has also accelerated globalisation and interconnectedness, making it easier on the one hand to communicate across time zones and cultures, but also contributing to the relentless 24/7/365 work environment. Most large organisations now compete on a global basis, or at the very least compete with international competitors that are entering their local markets, and their managers are facing not just competitive pressures but the challenges of working and adapting to different cultures, employees and customers.

The paycheck is only part of the employee engagement equation.

As the world is changing, so are employee expectations and our understanding of their motivation. Employees no longer come to work just for the paycheck; they want to contribute their unique ideas and talents fully, and they expect that the company's purpose and values will match up with their own. In many ways this is a by-product of the time and effort companies have invested in the last 20 years to engage employee commitment to an inspiring, ambitious corporate vision and values.

Shareholders are narrowing the margin of error.

Lightning fast changes and a highly competitive marketplace mean shareholders are less forgiving than they once were. To meet the demands of today's shareholders, people at the top have little room for error, and that means



execution at every level has to be swift and flawless.

Managers are on the front lines of these dramatic challenges.

During the recession of the early 1990s, middle managers were often the first to get the axe as part of the waves of workforce reductions. Today's organisations however, are increasingly realising their front-line and middle managers are <u>essential</u> to their success. <u>They are the ones</u> responsible for executing on critical strategies, keeping the day-to-day business running smoothly, and maintaining an engaged, productive workforce even in challenging times.

What is leadership agility?

<u>A recent Forbes article</u> describes agile leaders as those who can "handle any curve ball thrown their way. Leading through this new business environment requires the capability to sense and respond to changes in the business environment with actions that are focused, fast, and flexible."

Managing and Leading Through Today's Complexities

All of the changes described above are pushing managers to become more nimble and more adaptable than ever before. To contribute to top line revenue growth and manage the bottom line, they not only have to execute flawlessly, they have to anticipate and act on situations that don't always have clear-cut answers. No longer able to rely on the way things have always been done, they have to quickly figure out what and who it will take to get the results they need. At the global level, a recent <u>study of global leadership</u> reveals an increased level of intensity that isn't letting up. "I could do three out of five things in a

domestic leadership role and still be successful, while in my global position I had to get all five right or the initiative would fail," said one respondent. Though the core competencies of leadership – getting results through others, for example – persist, they emphasised, "You have to adapt your style to the people, the environment, the way things are done, and the things that help you get it done."



To keep ahead of the pace of changing employee dynamics, customer demands, shareholder expectations,

globalisation, market volatility, and competitive pressures, Organisations are recognising their key front-line, middle, and next generation managers need to be more agile and think like leaders.

The question is, when time and resources are already stretched and managers are dealing with very full plates, how do you quickly build the agility of leaders at all levels while reinforcing and advancing their critical management skills?

Start with thinking.

Thinking Is the Catalyst for Agility

Every leadership competency is being impacted by the need for greater agility, and all of these skills and requirements have one thing in common: They're rooted in thinking.

Our research has shown that the way people prefer to think impacts how they approach interactions, decisions, problems and every other aspect of work and management. By understanding and then optimising their thinking for the situation, managers can increase their agility and overall effectiveness exponentially across the board.

Let's take a closer look at why thinking is the catalyst for greater manager agility.

We know that agile managers are skilled at effectively <u>"managing</u> <u>paradoxes."</u> They:

- simultaneously push tasks and initiatives through to completion while deftly handling rapid-fire changes
- process and deliver information efficiently, and manage time effectively so problems can be solved faster and decisions can be made with confidence
- optimise relationships up, down, and across the organisation to ensure engagement, collaboration, and alignment with business objectives and customer needs
- take advantage of the diverse ideas, strengths, and approaches of different i individuals, functions, teams, and departments to reinforce a culture of innovation

In essence, where agile managers outshine all others is in their ability to successfully deconstruct today's complexities to take advantage of the right resources for the job, and by doing so, get better results faster.

Additionally, because the traditional management tools and processes that worked in the past weren't designed for the world we now face, agile managers are able to embrace ambiguity by taking control



of their mental processes and shifting their thinking to look at problems, tasks, and people in a new way.

Here are just a few ways managers can become more agile by expanding their thinking capabilities:

Stop and Think About Others' Thinking: How a manager thinks impacts how he or she will look at a problem, communicate with people, and even select tools and resources. By understanding and adapting to the thinking of others — including the boss, employees, peers, clients, shareholders, and other increasingly multicultural and multi-generational groups — the manager can quickly optimize the way work gets done.



The four-color, four-quadrant graphic and Whole Brain® are trademarks of Herrmann Global, LLC.

The Whole Brain[®] Model depicts the four different thinking styles and serves as an organising principle for how the brain works. Although you it may prefer certain modes of thinking over others, everyone has access to all four quadrants. Using the skill of Whole Brain[®] Thinking, agile leaders are able to fully leverage their preferences, stretch to other styles when necessary, and adapt to and take advantage of the preferences of those around them to be faster, more focused and more flexible in any environment.

Originally developed at General Electric, the highly validated Herrmann Brain Dominance Instrument® (HBDI®) is the assessment tool that measures an individual's thinking preferences across the four quadrants of the Model.

Diagnose the Mental Demands of the Task At Hand: At the same time, being able to size up the mental demands of a given problem, project, or task allows the manager to prioritise efficiently and put together the right processes, people, and tools to tackle it. In the midst of a noisy, complicated and continually evolving work environment, the underlying focus on thinking gives managers the framework to create clarity and quickly make sense of the situation.

Be Diverse By Design: Just as important in an era in which new ideas, innovative solutions, and diverse perspectives can spell the difference between organisations that win and those that stagnate — or worse — managers who recognise and can leverage the full range of thinking available will deliver a significant competitive advantage. The managers who understand the importance of cognitive diversity are the ones encouraging people to bring their best thinking to work.

Advancing Managers and New Leaders through Agile Thinking

For IBM, that diversity of thought has long been viewed as one of its competitive advantages. Leadership consultant Rich DeSerio, a former IBM executive who led the company's Leadership Development Global Design Team, says this is one of the reasons a focus on thinking has been at the foundation of IBM's award-winning blended learning programme for newly appointed leaders, Basic Blue for New Leaders (BBNL).

The other reason, he says, is cultural adaptability. Whether across international or functional lines, IBM leaders — like so many managers and leaders today — are leading and working with people from a variety of backgrounds and with varying approaches to work. They have to keep pace not just with changing market conditions and technological advances, but the challenges of size, scope, and globalisation.

The need for agility has also intensified the level at which all managers and leaders have to perform traditional people and process management skills, DeSerio observes. Having the thinking agility to manage the day-to-day more effectively gives them greater flexibility and bandwidth to tackle new situations and rapid changes.

"The goal with BBNL," he says, "is to round out the person's ability to seamlessly move from situation to situation, person to person, and geography to geography to be more effective as a leader every day."

The BBNL programme provides managers with a variety of foundational tools to build their adaptability. One of the core concepts for the program is Whole Brain[®] Thinking. Before attending live classroom instruction, participants learn about their thinking



preferences, the impact of thinking on leadership, and how to best take advantage of that knowledge as leaders at IBM.

During the weeklong programme, the Whole Brain[®] Model then becomes a type of organising principle and filter as participants apply to aspects of the class and specific managerial competencies. They build up their comfort with different thinking styles so they can increase flexibility in adapting their thinking to different situations and people, making it easier to manage rapid shifts and execute on complex tasks.

The cumulative effect, DeSerio says, is that the skill of Whole Brain[®] Thinking becomes second nature so that new leaders can be more nimble in handling whatever challenges come up.

We have seen countless examples of increases in productivity in our work with companies in every industry. Agile managers and leaders are able to recognise what styles of thinking they prefer — understanding that these are preferences, not competencies — and then learn to use their preferences more deliberately and effectively, stretch their thinking when necessary, adapt to the thinking styles of others, and tap into the best thinking around them based on the mental demands of the task at hand.

Because the Whole Brain[®] framework was designed specifically for business and is broadly applicable, it makes it easier and faster for managers to act on this sometimes nebulous challenge to "be more agile."

The Agile Leader's Toolbox: Four Key Areas to Increase Agility Through Better Thinking

Deconstructing today's complexity starts with having a filter to make sense of it all. As an organising principle, The Whole Brain[®] Model gives managers a practical framework and toolkit for better processing the volumes of information, issues, people, and decisions they deal with on a daily basis. At its core, agile leadership is about pulling out the right tool at the right time for the right reasons. Here are four areas that your managers and leaders can increase their agility through better thinking.

Agile Execution

Critical Business Factors: strategy execution, key business and/or departmental performance indicators, top line revenue, market share, project delivery and implementation

Your business's critical strategies hinge on managers who can execute them quickly and effectively. It's no longer just about "getting more done with less." Today's managers have to be able to simultaneously push objectives and tasks forward while anticipating and responding to continual changes and pressures, both internally and externally.

How thinking agility supports Agile Execution:

- Effectively analyzing the situation to align key tactics with financial, quality, or other goals.
- Quickly sizing up a task or project, and identifying and managing the mental resources and processes necessary to meet deadlines and achieve successful outcomes.
- Increasing productivity, collaboration, and working effectively through others by understanding how people think and what they pay attention to.
- Keeping the big picture in mind to execute successfully in the face of ambiguous or incomplete information.

Key Questions:

- Do your managers and leaders know how to quickly analyse a project or initiative and identify the mental resources required to get it done?
- When priorities keep shifting, do your managers and leaders have the "brain bandwidth" to make simultaneous decisions with confidence and keep the organisation moving forward?
- How well do your managers and leaders balance the long-term needs with the short-term execution requirements?

Agile Problem Solving

Critical Business Factors: quality, process improvement, and operational efficiencies

With the speed and complexity of today's environment, methods that used to work are often no longer viable in the new business reality. Managers and leaders have to be able to manage everyday priorities and challenges more effectively. They will also need the mental capacity to tackle the bigger problems and rethink outdated ways of doing things.

How thinking agility supports Agile Problem Solving:

- Clarifying issues and objectives, and pinpointing as well as clearly defining the specific problems to be addressed.
- Filtering in order to process information quickly and identifying the mental demands of a problem, issue, or task to create the most effective solution for addressing it.
- Taking into account the diverse thinking preferences of those involved in order to facilitate engaged discussion and get the best ideas from everyone.
- Encouraging experimentation and knowing how to tap into the brain's unconscious processes like intuition to find ways to solve issues that have no clearcut solutions.

Key Questions:

- Do your managers and leaders know how to best approach problem solving in an ever-changing environment?
- How effective are your managers and leaders at managing the cognitive resources available to them to develop the best, most complete solutions to problems, no matter how many or how complex they are?
- Do your managers and leaders have the time and mental breathing room to identify and solve issues that could have long-term consequences, or are they spending more time managing daily crises and putting out fires?

Agile Influence

Critical Business Factors: employee engagement, individual and team performance, customer retention, career growth, and maturity (strengthening the bench)

At the same time their responsibilities and challenges have grown, many managers' teams and resources have constricted. They are taking on widely varying assignments and leading projects that require cross-functional collaboration. Whether "leader" is in their title or not, they have to be effective influencers who can hold others accountable and quickly persuade and engage people in the work that needs to be done.

How thinking agility supports Influence:

- Remaining focused and clear in the midst of shifting plans, priorities and requirements.
- Getting the right information to the right people and shortening interaction time while increasing overall impact to accomplish key objectives faster.
- Communicating effectively up, down, and across the organisation, and involving others in decision making as needed.
- Understanding the vision behind strategy and the connection between their role and broader organisational goals.

Key Questions:

- Can your managers and leaders identify clues to what people pay attention to so they can fast-track communications and improve coaching outcomes?
- Do your managers and leaders know how to encourage collaboration and participate in a collaborative way to make sure objectives are achieved?
- Are your managers and leaders able to cut through the "noise" and business complexities to connect with associates and customers in a meaningful way?

Agile Innovation

Critical Business Factors: market share, R&D, top line revenue, reputation, and long-term growth

Innovation is commonly cited as one of the essential factors for keeping businesses recession proof and successful over the long term. It can't happen without agile managers and leaders who understand and know how to tap into and manage the diversity of thought required.

How thinking agility supports Innovation:

- Finding the opportunities for improvement within the leader's area of responsibility to maximize profits and shareholder return.
- Developing workable, realistic plans to turn "crazy" ideas into actionable solutions.
- Creating an environment that values different thinking styles and rewards people for contributing their best ideas.
- Seeing the big picture to link new ideas and concepts with long-term strategy.

Key Questions:

- Do your managers and leaders understand the steps and thinking required to drive innovation?
- Are your managers and leaders driving new, innovative thinking by leveraging the full cognitive diversity available to them their own as well as the thinking of their teams, colleagues, customers, and other stakeholders?
- Are your managers and leaders creating an environment that encourages people to contribute their best thinking?

In An Unpredictable World, Agility Always Wins

A recent headline asked the question, "<u>Is Voicemail Dead?</u>" The article cites new research showing that the rise of texting means voicemail may soon go the way of the While You Were Out message pads. Who knows what will come next to replace texting? "At a time of extreme volatility, past experience is an unreliable guide to future outcomes."

The McKinsey Quarterly

In too many organisations, <u>the "bench" isn't ready</u> for today's or tomorrow's challenges, and this leadership gap is creating huge problems for businesses, from low employee engagement and productivity to ineffective strategy execution, to the growing exodus of <u>dissatisfied customers</u>.

As the Aperian Global study and DeSerio both have noted, it's not the basics of management that have changed so much as the intensity, complexity and the level of competency leaders at every level need to be able to exhibit.

By putting thinking agility at the foundation of management and leadership development, organisations have a single, powerful and practical means of enabling their managers and leaders to maximise relationships, optimise communication time, improve process efficiency and effectiveness, and get the diverse perspectives necessary to make better decisions and come up with and execute new ideas. They will also be building up <u>a strong pipeline of leaders</u> who can situationally access the thinking they need to get the job done, whether it's a clear-cut, step- by-step project or a more unstructured initiative that requires new ideas and flexibility.

The recent downturn has revealed the stark truth about what can happen when organisations don't have the depth of leadership skills and talent necessary to navigate a complex, continually changing environment. Developing and creating a pipeline of agile leaders now is a business imperative.

Start at the Beginning: Thinking

Today's knowledge worker must start first by looking at where all knowledge is created: their thinking. Applying a Whole Brain® Thinking approach allows managers and leaders to proactively own and manage their own mental processes rather than letting the chaotic environment that is now everyday reality lead them. The result is a nimble, flexible and agile workforce, one that will deliver the strong, but so often elusive, competitive advantage every organisation is striving for today."





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