

## **Glowinkowski International's observations on the challenges posed by the UK's 'emergency budget' for organisational leaders**



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## Introduction

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In this brief paper, we do not intend to dwell on the political or economic rights and wrongs of the George Osbourne's budget, which was delivered on the afternoon of Tuesday,

22nd June. What we do wish to consider are the implications for organisational leaders whose mandate is to manage their enterprises through this period of austerity.

## Organisational Climate

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From our perspective, it is quite clear that more than ever it is crucial that managers build and sustain a strong Organisational Climate by which we mean that, despite pressures, the people who work there feel it is a good place to be. This does not mean they regard they have an easy life - we don't actually think any organisation can adopt such a laissez-faire attitude, it will prove their downfall - but that they are spending a significant proportion of their waking lives in a purposeful environment.

For Organisational Climate to be considered robust and healthy, managers and their teams should feel as though they possess CLARITY about what they are collectively trying to achieve and that they clearly see how their individual work contributes to the organisation's over-arching intent. Without, it is more than likely that unwarranted work will be undertaken that will cause confusion and unnecessarily burn scarce resource, be that financial or time. This is not to suggest, however, that individuals across the organisation blindly continue to do what they have always done.

Through two other dimensions of Organisational Climate, namely CHALLENGE and CHANGE ORIENTATION, an organisation can be imbued with the spirit and drive of wanting to look at what it does and how it operates from the perspective of improving practices or finding new activities that it can conduct. Innovation, continuous improvement, 'striving for excellence', call it what you will, are recognised as important. Expecting different results from doing the same thing was regarded by Einstein as the definition of insanity. Leaders must develop a sense in their organisations that different approaches can be tried and evaluated. This does not mean 'betting the bank' by turning everything on its head all at once. Rushing headlong into major change initiatives without fully considering the risks and issues that may emerge rests at the root of the current problems.

Another aspect of a strong, vibrant Climate is that people consider they possess sufficient AUTONOMY to make decisions that will benefit their organisation and especially

its customers. AUTONOMY lies at the core of great service and it is through continuing to deliver fabulous service that many organisations will survive if not thrive when others are cutting corners in the mistaken belief this will save cost. Dealing with mistakes, complaints, process failure costs so much more than, excuse the hackneyed cliché, doing things right first time. A high level of AUTONOMY does not equate to a free-for-all environment. Instead, it is one where people are willing to make decisions and have these reviewed as part of the performance management coaching process.

In mentioning performance management, we come to the penultimate dimension of Organisational Climate, which is RECOGNITION. Even in those businesses and institutions that are finding things tight financially, a meritocracy should still prevail and it does not cost the earth to establish one. Firstly, managers need to 'catch their people doing good things' and say "Thanks!" and "Well done!" and to mean what they say. Walking the shop-floor at the same time every week and patting a few people on the back will quickly be regarded for what it is; disingenuous behaviour by the manager. This will cause more harm than good. In a meritocracy, not only is great work recognised, acknowledged and, where affordable, rewarded, but those that continue to 'swing the lead' are dealt with. As a result, they either step up to the plate and their performance improves or they are shown the exit. Harsh but fair.

The final dimension of Organisational Climate is INVOLVEMENT, which concerns managers listening, taking note and including their people in their decision-making. Sitting in the corner office removes managers from the dynamic, hurly-burly of organisational life. Their eyes and ears, therefore, must be their people and providing them with the means to offer their view, opinion, observation on how things can be done better and to involve them in taking forward viable proposals really builds up the sense of team. Never doubt the efficacy of the Three Musketeers' battle cry of "All for one and one for all".



## How to Build Strong Enduring Organisational Climate

Climate is an outcome of what goes on in an organisation and is created by three causal drivers. These relate to how the organisation is structured or put together, i.e. the 'Organisational Design', the manner in which major organisational processes are managed, e.g. planning, communication, decision making and, finally and most importantly, the behaviours of the organisational leaders. Leaders' behaviours beget those of everyone else in the organisation and authenticity is vital, here. As mentioned earlier, any sense of disingenuousness will quickly be discerned by organisational employees and cause rancour. Leaders need to show direction and purpose in their behaviours as well as being concerned about people's performance and welfare. Just being 'directional' can create

a Climate of 'command and control'; being overly concerned can create too benign a mood in an organisation. Being concerned encompasses leaders helping people recognise they may be 'round pegs in square holes' and that an alternative role may be more suitable for them and the wider enterprise. Nobody wants to see a colleague 'stressed out'. In these difficult times, helping people understand their true qualities and how these can best be utilised is exceptional leadership behaviour.

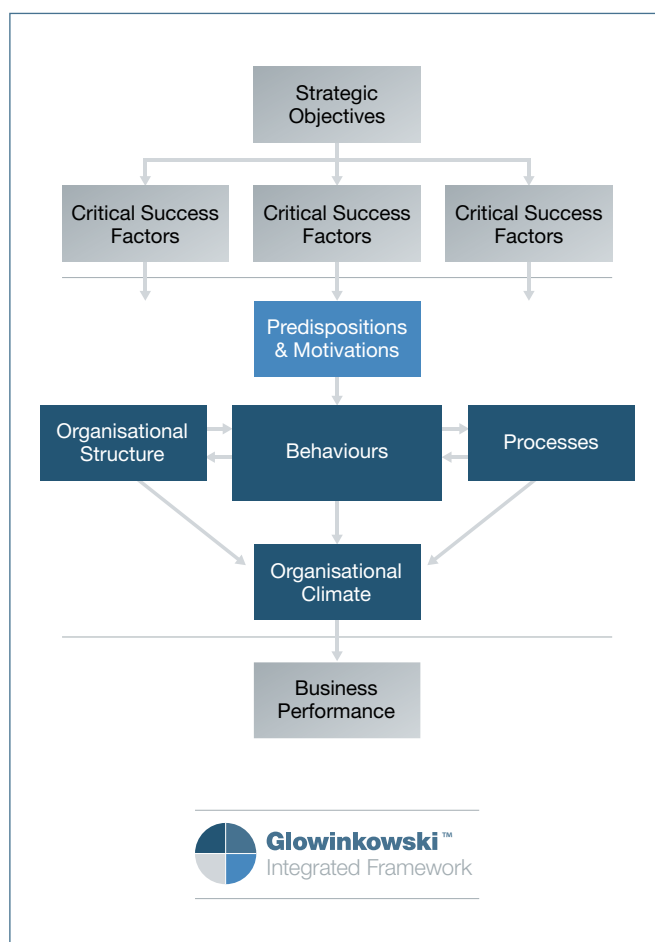
The combination of Directive and Concerned behaviour we call 'Blue 4 Leadership' and it is the most effective behavioural style to build and nurture an engaged workforce and through that strength of engagement a powerful Organisational Climate.

## Cutting Costs but Not Cutting Out the Organisation's Heart and Lungs

One aim set out in the budget concerned many institutions in the public sector needing to operate over the next four to five years on the basis of 25% reduced funding. This has prompted considerable reaction, much of it questioning the reality of setting such a goal. In our 25 years of work in both the private and public sector, we have often seen the knee-jerk reaction to such a challenge to be a 'forest fire' of job cuts that leaves an organisation enfeebled and unable to deliver its core service. Mistakes abound, sickness rockets, industrial relations splinter and the smaller enterprise ends up being more costly to run. Nothing whatsoever is achieved. As such, the goal can be regarded as unviable and dismissible. Or can it...?

In this stretching economic time, the reaction to such a challenge needs to be disciplined and focused, without action being delayed unnecessarily while unwarranted analysis is conducted. Effective organisational leaders will have established a clear sense of purpose, direction or strategy for their organisations through an inclusive and encompassing approach. They recognise their primary accountability is to build and sustain a high-performance Climate and how this is achieved through the combination of their own behaviours, the manner in which they organise their people and how they carry out their work. This 'business model' is depicted in our Integrated Framework, which is shown opposite.

The old adage of 'What get measured gets done' (which is attributed to many people, Peter Drucker included) is entirely apposite. Glowinkowski International offers a range of highly



valid measurement approaches that enables organisations to gain a practical assessment of their areas of strength and weakness across the components of the Integrated Framework.

The manner in which we report this information back to the organisation's leaders is highly engaging and involving and, as such, avoids getting bogged down in the paralysis of a 'So what?' response. It galvanizes action in a targeted way. Where activity needs to be scaled back, even stopped, it is done for conscious, fact-based reason.

Examining the organisation's structure in a methodical and scientific manner helps identify those roles that are not contributing genuine value in terms of enabling rather than impeding the organisation to achieve its strategic intent. If we are all honest, we know there are such superfluous roles in

our organisations that cause more drag than add momentum. It is in this way that Glowinkowski International can help all organisations apply a scalpel rather than a blunt knife to changing the shape and constitution of their enterprises and enable structure to follow strategy, and execution to be enabled by the structure.

More detail about our tools and approaches and our research activities can be found throughout our web-site, [www.glowinkowski.com](http://www.glowinkowski.com). If our comments in this short paper have prompted a response in your own mind, tell us. If you think we can help you rise to the challenge of leading your organisation more effectively, call us on 01206 710945 and we will get one of our consultants to speak with you at greater length. Alternatively, write to my colleague, David Physick, at [david.physick@glowinkowski.com](mailto:david.physick@glowinkowski.com).





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