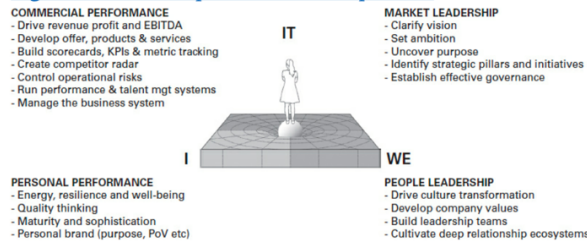


COHERENCE – GOVERNANCE MEETINGS

The way the game of business is currently set up means that most executive teams spend 80–95 per cent of their time focused on short-term commercial performance and operational issues in the top left-hand quadrant of the Exceptional Leadership model (Figure 1.6). What time remains is usually consumed by strategic debate and the occasional cursory nod to ‘governance’.

Figure 1.6 The Exceptional Leadership model



For most organizations, their decision-making and accountability agreements are not properly defined. Even if they are, which is rare, they are never universally understood and applied up and down the business. Leaders are constantly wrestling with issues that are fundamentally caused by a lack of clarity around who makes what decision and why, where these decisions get made and who is really accountable for delivering certain aspects of the business plan. In addition to setting up the necessary decision-making forums and establishing the limits of executive authority, it’s also necessary to fully define the feedback loops. What are leaders and executives expected to communicate and to whom? Are they expected to circulate minutes, everything or just the decisions? These issues are no longer ‘something to discuss informally at the off-site if we have time’. They are fundamental to business survival in a complex world. Successful businesses are no longer run by a few people at the top; globalization, technology, the nature and speed of change, not to mention the increasing complexity, mean that the rules of the game need to be redefined, clarified and aligned behind robust, upgraded governance.

Most businesses already realize that they need to address operational, strategic and governance issues, but most will try to have all three conversations simultaneously. One of the core principles of upgraded governance is therefore to establish separate meetings, frequencies and meeting disciplines for operations, strategy and governance. Chris Hope, ex-Head of Operations Strategy and Change for easyJet, explains the profound impact greater meeting discipline had on meeting time and productivity:

We mapped out all the meetings that involved two or more senior managers from the team. This also established how much time we spent in meetings and showed that even a small improvement in our efficiency and effectiveness in those meetings would deliver a significant benefit to the business... We looked at all our meetings to decide which were working well, which needed to be improved and which didn't really need to happen at all... Having set out the structure for the meeting and being clear about what we were trying to achieve, we then focused on behaviours by adapting ground rules for each section. In one section of the meeting, which involves going through action items, it could take us an hour just to check if the items were open or not. We found ourselves having the same discussions again and again. By setting ground rules for that section of the meeting, we could avoid those behaviours.

And the outcome was significant – cutting meeting time by half – and best practice started to spread throughout the business.

The reason that meetings are such a bone of contention for most business leaders is that they can often take hours without any resolution. What we find when we work with leaders and their executive teams is that often those involved in the meetings are not individually or collectively clear about what conversation they are having. For example, in the middle of an operational meeting someone will raise a point that has strategic implications, so the team diverts off to discuss strategy for 20 minutes before someone realizes that they have drifted off the original issue. A few moments later, someone mentions a governance issue and the same thing happens, largely because there is insufficient differentiation of the three types of meetings. Once people appreciate the distinction and can differentiate between the different types of conversation, they can maintain focus and park things in the right place. Meetings that used to take three hours are wrapped up in 30 minutes because as soon as someone raises a strategic issue at an operational meeting or a governance issue at a strategic meeting the team reminds that individual to raise the issue at the appropriate meeting and the agenda stays on course. What we’ve found is that just by clarifying these distinctions companies leap forward in productivity and results can improve almost immediately.

On a human level, regular governance meetings can also transform the emotional tone of a team. Lack of clarity around governance leaves everyone with implicit expectations about who should be doing what and how they should be doing it. Without a defined governance process, the tendency is to make up negative stories about others or blame each other when these unspoken assumptions clash, neither of which helps move the organization forward.

When genuine governance meetings are introduced, team members have a forum for channelling the frustration of misaligned expectations into organizational learning and continual improvement. Playing politics loses its utility, and personal drama gives way to a more authentic discussion of how to consciously evolve the organization in light of its goals and broader purpose.

Alan Watkins, Coherence