



## Permission to fail

### The nature of permissions:

Ever wonder why the organisation and its people don't respond to management policies and directives the way you would like? Ever wonder why trying to change organisational behaviour is a bit like punching a bag of air – as fast as you make a dent in one side, the bag pops out somewhere else? And stays much the same size – and shape, after you take your fist away. One explanation involves the concept of permissions.

Organisational permissions are implicit signals in the design of all structures and processes - and management behaviours. No one ever articulates them – they are never written down – but they are the most effective communications channel that operates in most organisations. Unlike the messages in 'formal' change programmes and other management communications, permissions send signals to employees every hour of every day about 'what counts around here' – what is permissible behaviour, and what is prohibited behaviour

Because permissions are unintended and largely hidden, without explicit knowledge of what to look for, they are generally difficult to track down - and, therefore, hard to change.

A few examples may help clarify the concept:

- An organisation structure that divides responsibility for providing customer services may signal that power and position are more valued than providing quality and adding value to the customer.
- A process that delays products getting to the customer, to provide an insurance that exceptions that might threaten the company's bottom line can be spotted and dealt with, may signal that financial numbers are more important than being customer-focused.
- Senior managers who constantly ask questions about 'end-of-month numbers', especially those that reflect on results versus budget expectations, are likely to signal that short term profit is more important than long term business health.
- Senior managers who state that equal opportunities are important – and then ignore the rules when making selection decisions in relation to positions close to themselves, are signalling that EO is OK – as long as it does not get in the way of their personal power to decide.
- Senior managers who insist on approving all expenditure, however small and even when it is already budgeted for, are inviting employees to kick every other decision upstairs as well.
- Process and procedural designs that state in detail HOW work should be done, instead of just defining contributions, standards and outcomes, are contrary to espoused ideas about devolution and empowerment. Employees are given permission not to innovate.
- Excess use of committees, steering groups and project boards convey more messages about lack of accountability and trust, with yet more decisions kicked upstairs.
- Senior managers who vet employees' work and change it before production, application or publication, are giving employees permission to do sloppy work.

- Communications that rely on 'posters on the wall' give employees permission to ignore them – and then complain about being kept in the dark.

We could go on for a very long time giving more examples, but hopefully the few above will suffice to make the point. The question is what should managers do about the permissions that are rumbling around the inside of all large organisations? Start to worry!

### **Why permissions are important.**

While there are noble exceptions to the rule, a crude rule of thumb suggests that most organisations get about a 30% pay back on the investment they make in employees - their salaries, training and employment costs - if they are lucky. Many fail even to get close to this dismal standard. The research suggests that for no more than about 30% of the time people are at work are they highly engaged, intellectually, physically and emotionally with the work they do. About 25% of the time, they are not working at all!

There are many possible reasons for this, one of which is management style. There have been many studies that have suggested that stress at work is more generated by the style of management adopted than by the work itself. A colleague expressed it succinctly when she said “I love the work I do, but I hate the company. Coming up against crass management, data after day, was just too much, so I quit”.

The problem is that employees may be heavily engaged with their work but, so often, when they come against the organisation and its management, a negative reaction may follow. In other words, many people get a lot of satisfaction from the work activity itself – and the more their knowledge and skills are tested, especially in problem solving type work, the more satisfaction is acquired. The comparison is between the work activity itself and the more general experience of coming to work. It is the latter that is so often the source of employee alienation.

The issue is that management style is just one of the three sources of negative permissions that float around the organisation – the other two are the design of structures and processes. The most important point to grasp is that permissions hit employees thousands of times every day, as people operate within those structures and try to operate those processes. Witness the number of times, in one call centre, staff are heard to say words like “I am really sorry – I would like to help you but the rules don't allow me to”.

Compare this unending barrage of negative messages with the odd exhortation of the boss – via a video, e-mail, or poster on the wall. “What counts here is teamwork! And teamwork focused on the customer”. The most likely response from employees suffering the barrage of opposing messages will be something like “Oh, it's her (or him) again – what's she (or he) going on about this time?”, followed by indifference – if we are lucky. Frustration and anger are just as likely.

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Employee alienation, combined with its siblings 'sickness', 'absenteeism' and 'poor attendance', is a major problem in UK industry, costing billions of pounds sterling every year. Estimates vary, but no one we know is estimating less than £4 billion - others suggest as much as £100 billion. The most recent estimate from the NHS is that cost to that organisation alone is £28 billion. In 2009 estimates of days lost vary between 11.4 million and 13.5 million through stress-related illness alone. Now try to estimate the cost of all the time when people are actually at work, but not heavily engaged with their work. And how about the cost of that 25% not-working-at-all time?

This is the true significance of the negative permissions in relation to employees output. With lots of negative permissions floating about, there is a welter of signals suggesting that:

- Employees are not valued and cannot make decisions
- Customers don't really count

- The future health of the business is of little concern to top managers
- Employees are not trusted
- It is power and status that are really valued, and most employees don't have much of either
- Following the rules is more important than getting a result for a customer, especially if that would require some innovation – risky business that!

In these circumstances, is it any surprise that many employees are contributing value to the business well below their potential? Or that attendance pay is commonly taken? 'Retired in post', is another pay of putting it. And then consider the effect when some misguided bunch of managers decides that the answer to their employee motivation problems is to introduce some form of incentive! **ALL** incentive schemes suffer with a number of problems.

- The research demonstrates an effect on employee motivation that is, at best, neutral.
- Anyone with the basic understanding of the normal distribution curve will be able to work out why. So no gain there.
- All incentives carry the unspoken message that employees won't contribute fully unless they are bribed to do so. This often leads to the 'Well, if I'm not paid to do it, I won't' reaction. No great positive result in that, either.
- So often, the incentives are asking employees to deliver what the permissions prohibit.
- Sounds like confusion through mixed messages!
- Finally, in so many cases, the systems created by senior managers, more concerned with control-by-variance than creating enhanced results, actively limit the ability of employees to deliver what they are being bribed to. Even more conflict and frustration coming up.

Is it any wonder that employee alienation is costing British industry so much, year after year? Or that staff turnover in some industries and companies is extraordinarily high? To illustrate the depth of lack of understanding on this question of motivation and money, it is probably worth quoting from a personal experience.

At an industry convention a while ago, I presented the results of some research into why staff turnover was so high, across the industry – a major concern as recruiting and training costs were high. The prime causes were all about employees being locked into bureaucratic control systems; promises about the nature of the work, made at recruitment time, not being fulfilled; not having enough time to spend with customers; and conflicts between espoused values and those encoded in organisational practices and processes – in other words the permissions.

During question time, after the presentation, one delegate insisted that the research was all rubbish – the real cause of high employee turnover was that the industry paid low salaries, across the board. The simple suggested solution was for the industry to pay higher salaries. When it was pointed out that the research suggested a figure of over 84% of people leaving companies in the industry then going to work for other companies in the same industry, the delegate was not moved – higher salaries were the answer. Pointing out that employees, on average, worked for 5 different companies in the same industry before leaving made no difference either. The prejudice that money is the solution to all employee problems was as strong as ever.

### **What should managers do about negative permissions?**

Start challenging a lot of conventional wisdom, for a start. Formal organisation structures distribute power and authority to decide. Generally, power increases as we move further up the hierarchy and more towards the organisational centre. How about increasing power as we move closer to the customer? How about reducing the power of those functions that add no direct

value to delivering the outputs of the business – so often known as the 'overheads', the 'twilight zone' or the 'spenders'? Especially any group concerned with long range planning – a contradiction in terms, if ever there was!

But these are the easy bits. The most important step is to reflect on every process and structural design decision, and ask the question - “To employees, what is the unspoken message that is conveyed by the design decisions involved in this process or structure?”.

What signals are we sending to people, totally unwittingly, when we make changes around here? Or implement new policies or procedures? Or when we go and ask questions about what is happening in terms of results, or any other aspect of performance?

Are we confirming the statements we make about strategic goals and strategic direction? About values? About the focus we wish to see in the organisation – in terms of the way we operate internally? And externally?

If we are not sure, go and ask some employees, and see if their perspectives are different from yours. Be careful, however. If they feel that they don't genuinely have permission to tell you the truth, they may just reinforce your pre-existing conceptions that don't actually connect very well with reality - you might just get a set of 'political responses'. And watch your responses as well. Because, as a senior manager, you are most definitely part of the problem – hopefully, you can become part of the solution, but not if your own behaviour is sending negative messages.

As the sage said, the people most immune to feedback are the people most in need of it! Once you have started to track down those negative permissions, start to replace them with positive permissions. Work out what type of behaviour – individual and organisational – you are seeking, and redesign those structures and processes to make sure that the message is very clear about what the organisation actually needs. The easy way to do this is in conjunction with the self same people who are on the receiving end of the permissions. That takes courage, and it takes good information to kick start the process, as well as good organisation to keep it going.

If the challenge appears to be rather daunting, then get some support and be prepared to let go. Get good information with effective tools, that are designed to help organisations and their people track down negative permissions – and work out solutions to the issues identified. Make sure they are tools that will help drive the change process, and make sure they underpin a process of continuous change. Who knows, you might even get to the point where you are getting your people to engage with their jobs 60% of the time – and that would mean doubling your return on your investment in people! Now there's a thought!