Reducing control to increase success

Policies, processes and controls that are designed to improve performance can often deliver unintended, negative consequences. This is not only true in business organisations it seems, but in other systems also.

In London, for example, the Mayor is removing street furniture - signs, traffic lights, barriers and road markings - in order to create uncertainty about who has the right of way between cars, cycles and pedestrians and to encourage all road users to act more responsibly. The roll-out of the scheme in London follows a trial where the number of collisions fell by 40%.

Business leaders also need to remove unnecessary barriers that prevent allow their people from giving their best. Reducing the level of control may lead to the odd preventable accident, but as with the London traffic trial, it can create better overall performance.

So how do you know if you have excessive and inhibiting levels of control? Here are 5 indicators that your organisation has installed too much street furniture.

1. **No guiding purpose or intent.** A sense of organisational purpose, over and above the pursuit of profit, can have a galvanising effect on an organisation and how it operates. Whole Foods, the US natural food supermarket, has a mission of *Whole Foods, Whole People, Whole Planet*, and has used this clear purpose to give its people broad discretion to make aligned and effective decisions.

2. **More than 7 KPI's.** Psychological studies show that people cannot hold more than seven pieces of information at once. Having too many KPI's creates confusion and hinders development. In his book *Good to Great* Jim Collins argues that great organisations establish a single KPI to keep managers focused on what's truly important.

3. **Employees are not given, or made accountable for, specifically defined outcomes.** Marcus Buckingham's book *First, Break All The Rules* is based on a comprehensive study of effective people management. A key conclusion was that the best managers focus their time on setting their people the right *outcomes*, not on prescribing *how* the results should be achieved. We all have different needs and preferences, and great managers play to this by being rigorous on the destination but not on the route taken.

4. **An intolerance of failure.** Behind every great breakthrough and success is a mountain of failure. Thomas Edison, who filed over 1,000 patents and is credited with developing early solutions for mass communication and electricity distribution once said of his failures, *"I have not failed, I've just found 10,000 ways that won't work."* Similarly it took Tesco, for example, over five years and several prototypes to build a winning model for its Express format.

5. **Annual planning and budgeting.** Relying on annual planning cycles to discuss strategy, direction and investments kills the ability of your organisation to respond to fast-moving markets. Former CEO of Ebay, Meg Whitman, said of her company that, unlike the traditional strategy approach of annual meetings, *"strategy sessions are needed several times a week."*

What controls are preventing your people from achieving dramatically better results?