



Insight Paper:

Your Route to Extraordinary Results in Technology

THE MINDSET **DIFFERENCE**

Better discussions. New answers. Extraordinary results

February 2017

Executive Summary

Extraordinary results go beyond what's expected.

They're achieved when leaders and teams speak openly and reduce the occasions on which they get caught up in fixed ways of operating.

This doesn't happen frequently enough though. Yet it's key to finding new answers to the most pressing challenges.

Extraordinary results confound what's currently thought possible.

High performing teams deliver them because they operate from a clear mindset most of the time. They see how job satisfaction, productivity and growth are interconnected, so view challenges through a different lens to most.

You need only look to the world of sport for examples. Some managers achieve results that make people sit up and take notice with the same group of players that, under a previous manager, struggled to perform well. They help create a new mindset in each individual and throughout their team.

Mindsets determine the results you get

Too many business leaders and their teams don't understand the link between mindsets and results. They innocently get caught up in habits of thinking and behaving (mindsets) that create *'just one way of doing things around here.'* This inhibits their capacity to deliver ordinary results - those that are expected – let alone extraordinary ones.

Busy mindsets hold teams back. Clearer ones help them adapt to whatever challenges show up more easily. Teams intuitively know which mindset they're operating from because they feel it. The problem is they rarely discuss it.

Better discussions lead to new answers

Discussing what's usually not discussed is invaluable. With nothing left off the table teams see more of what's really happening on important issues. Knowing performance is stagnant, heading uphill or downhill is one thing, being clear on the underlying reasons why another.

Clarity emerges from conversations that get underneath behaviour into the thinking and feelings that cause it. The search for clarity brings out leaders' innate, but often latent qualities. They become curious, listen fully, empathise and get decisions made that people whole heartedly commit to.

Better discussions, coupled with understanding mindsets, are key to leaders discovering new answers of their own to the challenges that stand in their way. They significantly increase the probability of achieving results that most consider extraordinary: especially in a Tech Sector experiencing fast-paced growth.

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1. Introduction

When you think about the word
'results' what comes to mind?

In our work with over a hundred senior teams we see a range of responses to this question. Some leaders get excited by the word, they relish achieving outcomes and their results, however measured, confirm they've delivered what they set out to do. Others are ambivalent, they see the need to have something to aim for but also know the future is inherently uncertain and unpredictable. A third response is one of dread, the results they're expected to deliver hang over them like a sword of Damocles and weigh heavy on their minds. They may not say this publicly but it's what they feel inside.

When we ask what gets in the way of achieving results these answers are common: bad luck, lack of funds or skills, wrong people, unforeseen circumstances, poor communication, broken processes and systems. They all point to external circumstances to explain performance blockages.

Yet how leaders respond to (say) poor communication will differ from one to the next. Some might turn the problem around, others simply accept that's the way things are. What explains the difference is how each leader thinks and reacts to poor communication: that's what determines whether or not it becomes a blockage.

Too often leaders innocently get caught up in ways of thinking and behaving that aren't helpful to them.

For example they:

- Miss opportunities to take performance from ordinary to extraordinary.
- Narrow their search to understand what drives people's behaviour.
- Limit themselves to a small number of perspectives (maybe just one!) on how to address the blocks that inevitably get in the way on route to achieving results.

The intent behind this insight paper is to help you avoid these potential pitfalls. It's also to tap into your own wisdom on different ways to help teams perform extraordinarily well.

*"How leaders think
about results matters."*

*"Too often they
innocently get
caught up in
ways of thinking
and behaving that
aren't helpful
to them."*

2. The Difference Between Ordinary and Extraordinary Results

Expressions of expectation

Objectives, targets and incentives all express what you're expected to deliver. They're grounded in an understanding of past performance and assumptions about what's possible or desired in the near future. Key measures such as spending limits, revenue and EBITDA growth, margin percentages, employee and customer retention, and time deadlines quantify the assumptions more precisely.

Meeting (not exceeding) expectations is typically a team's main focus. Delivering as expected results becomes their norm or ordinary thing to do. Yet this provides a path for people that sometimes blinds them to what else is possible.

Extraordinary results begin with a different focus.
They have three distinguishing characteristics:

They exceed expectations and confound what's currently considered possible.

They produce outcomes employees feel proud of.

They reframe possibilities; creating new choices about what comes next.



Extraordinary results in your context

The results you consider to be extraordinary will depend on how you think about the context you're leading in. For example if you're in crisis mode, or downsizing, or consolidating following a merger, or expanding rapidly or going through a transformation, extraordinary will have a different meaning in each scenario.

Similarly if you head up an established team looking to step up to the next level of performance, or one struggling in difficult circumstances, you're likely to think differently about what extraordinary means compared to a newly forming team that has no history together.

Additionally, the journey from ordinary to extraordinary starts by examining more closely others' expectations of what you can deliver. The assumptions on which these are based are rooted in one of two world views:

The realistic (or most likely) - results expectations are grounded in what's happened in previous years, matched against a considered assessment of the most likely trading conditions in the near future. The assessment makes assumptions about growth and a leadership's capacity to deliver it. It's the capacity assumption that can be confounded, especially when it's grounded in past limitations.

The optimistic - results expectations bare limited resemblance to successes in previous periods. While aspirational these may overestimate growth prospects and people's capability to deliver. When not considered realistic many people become wary or negative. They can feel they're being set up to fail and may react accordingly. The line between realistic and optimistic needs to be drawn carefully.

What enables breakthroughs to occur?

Whether you lead an established or newly forming team facing realistic or optimistic results expectations, this is a key question.

Answering it helps you confound what's currently considered possible.

But where to start?...

3. Productivity and Job Satisfaction Trends Reveal Clues About Breakthroughs

Productivity growth is lower in the UK ¹

Productivity measures the value of the goods and services supplied by a firm over the amount of working time used to produce them. According to The Productivity Leadership Group the rate of productivity growth since the 2008-9 crash is much slower in the UK compared to other members of the G7.

All sectors of the economy have shown the same trend. Yet the detailed evidence tells a more interesting story. Those pushing the boundaries of what can be achieved have continued to improve in much the same way as they did before the crash. It's the wider number of businesses within each sector that are not making progress. The Group reports that:

Most businesses say they have above average productivity.

Progress is being made but it's the preserve of too few businesses.

Two thirds of UK employees work in firms where productivity is below what is expected for a firm of that size or sector. The opportunity to do better is not just in small companies - but also in medium, large and very large ones.

A common factor explaining the UK's decline is the quality of leadership and management compared to other advanced economies. While we have world class high performing businesses, there is a long tail of UK firms of all sizes where management performance falls behind the best international standards.

Ongoing innovation, emerging trends in digital connectivity and the challenge of rapidly developing economies are disrupting business models and transforming global markets.

We need more of our businesses learning from our high performing frontiers in the UK, thinking afresh about what they can do to make workplaces more competitive, more innovative, more high-tech and smarter, with workforces that are more motivated and ultimately more productive.

It takes a UK worker five days to produce what a German worker makes in four.
The net effect is UK employees work longer hours for lower pay than their counterparts².

Productivity
is a long
standing trend
that has
affected the UK
economy for
many years.

Fresh thinking
makes doing
more with less
possible.

Familiar thinking
feeds another
trend...

Job satisfaction remains a challenge ³

Survey after survey point to too many employees not feeling satisfied let alone fulfilled by their experience of going to work each day. To help change this they're wanting:

To come home from work feeling less exhausted.

More influence and scope to use their initiative.

Inspiration to give of their best in job performance.

The gap between understanding a company's core purpose and feeling motivated by it closed.

More consultation and involvement in important decisions.

To feel confident when raising unmanageable stress or mental health problems.

What people think about their overall experience of work is revealed by levels of job satisfaction. Whatever they think sits in the back of their mind, creating feelings that shape their behaviour. High levels of satisfaction fuels ingenuity and commitment: adapting to change as needed is rarely problematic. Lower levels reflect an unease which can make change harder. Productivity-related initiatives for example is usually resisted by those who don't enjoy their experience of going to work: they neither 'get' nor like what's asked of them. In worst cases this transmits to clients because no matter how hard they try, employees can't hide what they feel inside. Growth prospects are compromised as a result.

Leave dissatisfaction undiscussed and staff either quit or resign themselves to *'that's just the way it is.'* In either case work is considered a means of earning money, little more. The goal of having an engaged workforce able to work productively of their own accord moves further away. Yet the opposite is true too. High levels of satisfaction and productivity go hand in hand. Helping people do more with less *and* feel good about it becomes a real possibility when leaders learn to connect the two together.

Whether
you're
part of
these
trends or
an outlier,
doing
more with
less *and*
feeling
good
about is
within
your
grasp.

4. Learning Lessons From Investment in L&OD

The HR Community's response

The Learning and Organisation Development (L&OD) parts of the HR Community's response to the challenges of productivity and job satisfaction is to develop capacity to improve both. Investment in L&OD designed to produce capable leaders and senior project or 'transformation leads' is particularly important.

These groups have a major influence on getting work done with less resources and creating a culture that either enhances or diminishes levels of satisfaction.

Your experience of change projects may or may not concur with the evidence that suggests there's much scope for improvement.

'Useful' development that may not always be sufficient

Talk to individuals who have benefited from L&OD investment and the majority invariably describe it as 'useful'. But the evidence that it helps them adapt to changing circumstances when the pressure's on and continually exceed expectations, is more circumspect. It suggests what's 'useful' may not always be sufficient.

For example **70% of change projects fail** to deliver to expectations.⁴ Negative employee attitudes and unproductive management behaviour are given as the causes, not what's usually cited - inadequate resources, poor planning, bad ideas, and unpredictable external events.

Additionally there are **4 main reasons why many leadership development programmes fail**⁵:

The context is overlooked: too much development assumes one size fits all, irrespective of the personalities and the business imperatives facing leaders in their everyday life.

Reflection is decoupled from real work: rather than integrating learning with real-life business challenges, they're separated.

Results are not measured: lip service is paid to the ROI from development investment.

Mindsets are underestimated: despite acquiring knowledge and skills, leaders don't change what they do unless their long-established and often cherished mindsets change first.

There are some lessons to learn from the way we've traditionally developed leaders, project managers and senior teams.



5. Challenges and Opportunities in the Technology Sector

The data suggest there are some 'unique' challenges

Technology is one of the fastest growing sectors and is pioneering new ways for people to work, network, socialise and learn to name just a few.

Jobs in technology hubs around the UK have grown by roughly 33% in 4 years. ⁶ Tech companies typically face 3 'unique challenges' associated with fast-paced growth: ⁷

- Relentless pressure on timescales and the need for fast revenue growth to recover R&D and sales and marketing investment, before the next wave of innovation potentially pulls the rug from under a company's feet.
- Talented people move around frequently searching for the 'coolest' product, project or the biggest upside and career prospects.
- The consistent ambiguity that emerges when shared accountabilities create confusion, misalignment and competition.

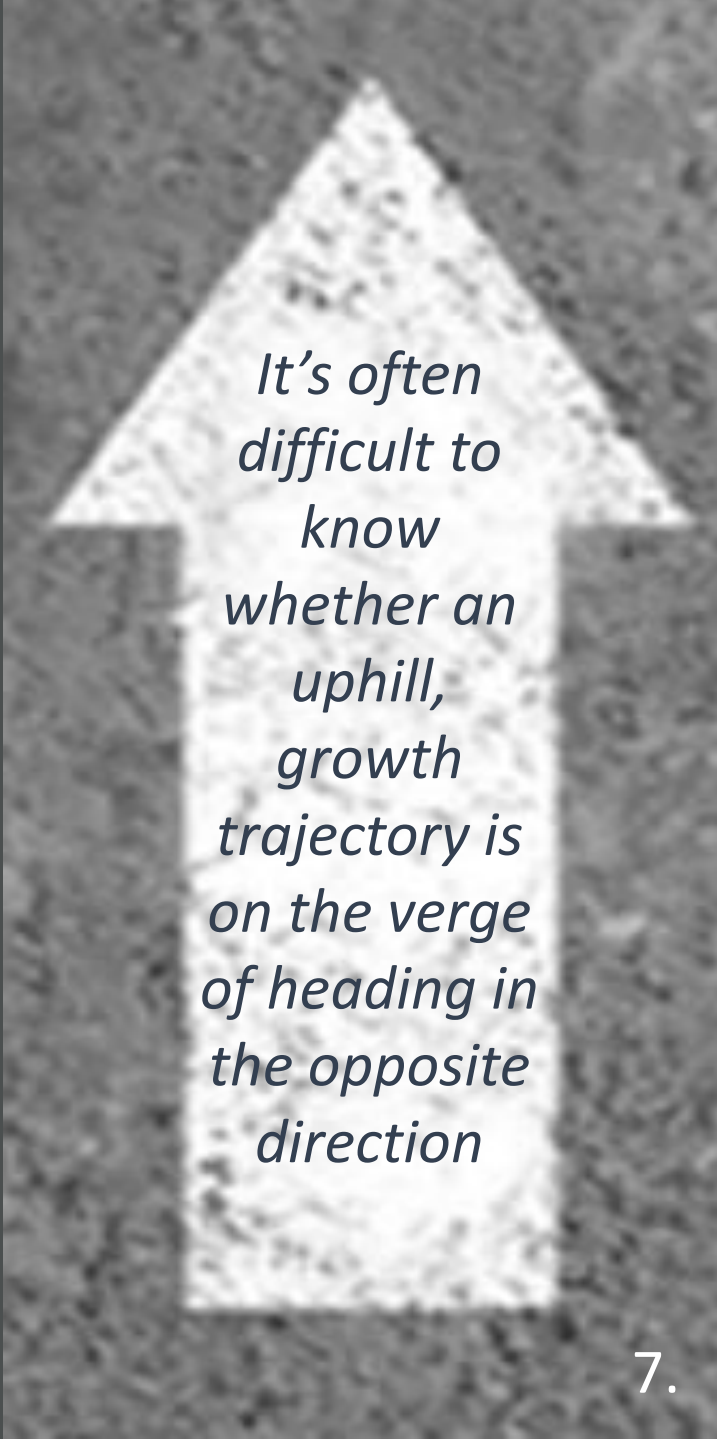
The world of digital also disrupts existing business models, making tech companies both an opportunity and a threat to their customers and competitors. The speed of change also means they face disruption and challenges to their own ways of working.

Our own experience of working in the Tech sector concurs with the authors of the HBR article referenced above. When we talk to leaders few have sought coaching in how to deal with the fast-paced growth, disruption or those challenges 'unique' to the Sector. There are two main reasons why:

- First, acknowledging them seems obvious and pointless: many conclude *'That's just the way it is in Tech.'* We once assumed these were just normal business challenges that needed to be overcome too. But the more we've talked with leaders we see just how critical they are to results and even the survival of the business.
- Second, the cult of the driven leader is prevalent in Tech. This suggests leaders are too smart or too focussed to be daunted by challenges like these, however 'unique' they may be – a sort of *'If you can't take the heat, get out of the kitchen'* attitude.

The consequences of this reasoning is that important challenges either don't get on the agenda or if they do are easily dismissed.

Let's be clear – a driven leadership helps many tech companies grow. But upsides have countervailing downsides. Unless these get heard, it's often difficult to know whether an uphill, growth trajectory is on the verge of heading in the opposite direction.



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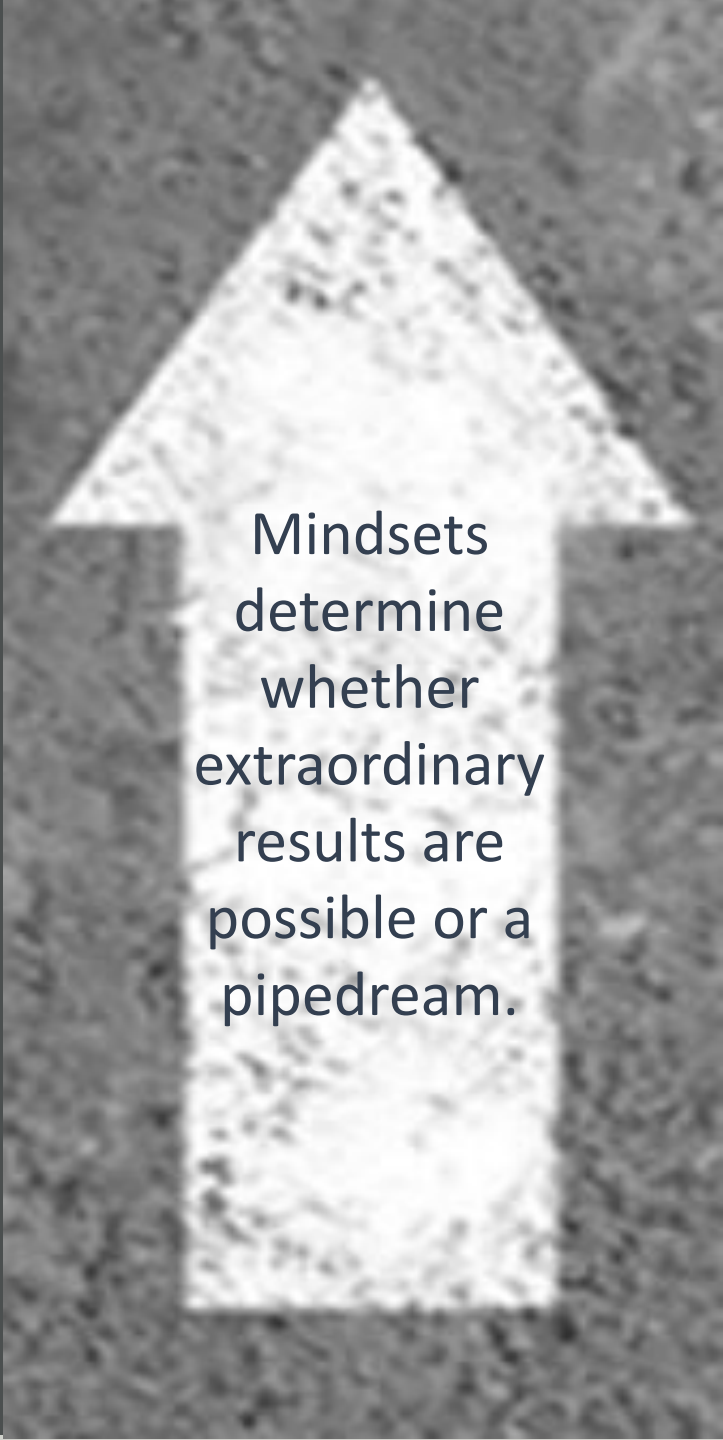
The good news on route to extraordinary results

The good news is there are upsides to talking about potential downsides. Recognising and embracing undiscussed topics makes resolving them easier. A company's growth and survival needn't be undermined.

Expectations of growth, however measured, are already built into what you can deliver. Imagine exceeding them with engaged employees, who are more than satisfied by their experience of going to work and so are naturally more productive. They increase your capability to offer clients more than they normally expect. They believe in your way of doing things: their enthusiasm for it is infectious and it makes growth much easier.

Possible? Or a pipedream?

How you answer this question depends on the mindset you're in at the time you read it. But consider this: growth, satisfaction and productivity-related challenges can seem like they're caused by circumstances outside people's control. Yet when individuals and teams step back from this, they see they're caused by how they habitually think about the challenges before them, less so the challenges themselves. In a clear mindset, rather than a busy one, what gets in the way shows up differently. When leaders help people realise this for themselves, they hold the key to delivering results most consider extraordinary.



Mindsets
determine
whether
extraordinary
results are
possible or a
pipedream.



**Leaders
lead by example,
their mindsets
shape the
example they
set.**

6. Why Mindsets Hold the Key to Extraordinary Results

Mindsets are habits of thinking that affect how we all see the world around us - globally, nationally, in our sector, organisation and personally. They determine how we show up to each other. For example how leaders think about the kind of organisation they're leading, what good leadership means and what success looks like, determines how they feel and behave in different situations. Leaders lead by example, their mindsets shape the example they set.

Everyone operates from their habits of thinking all the time. That much is unavoidable, we're all in the same boat as it were. But what makes a significant difference is understanding how this happens and noticing it when does.

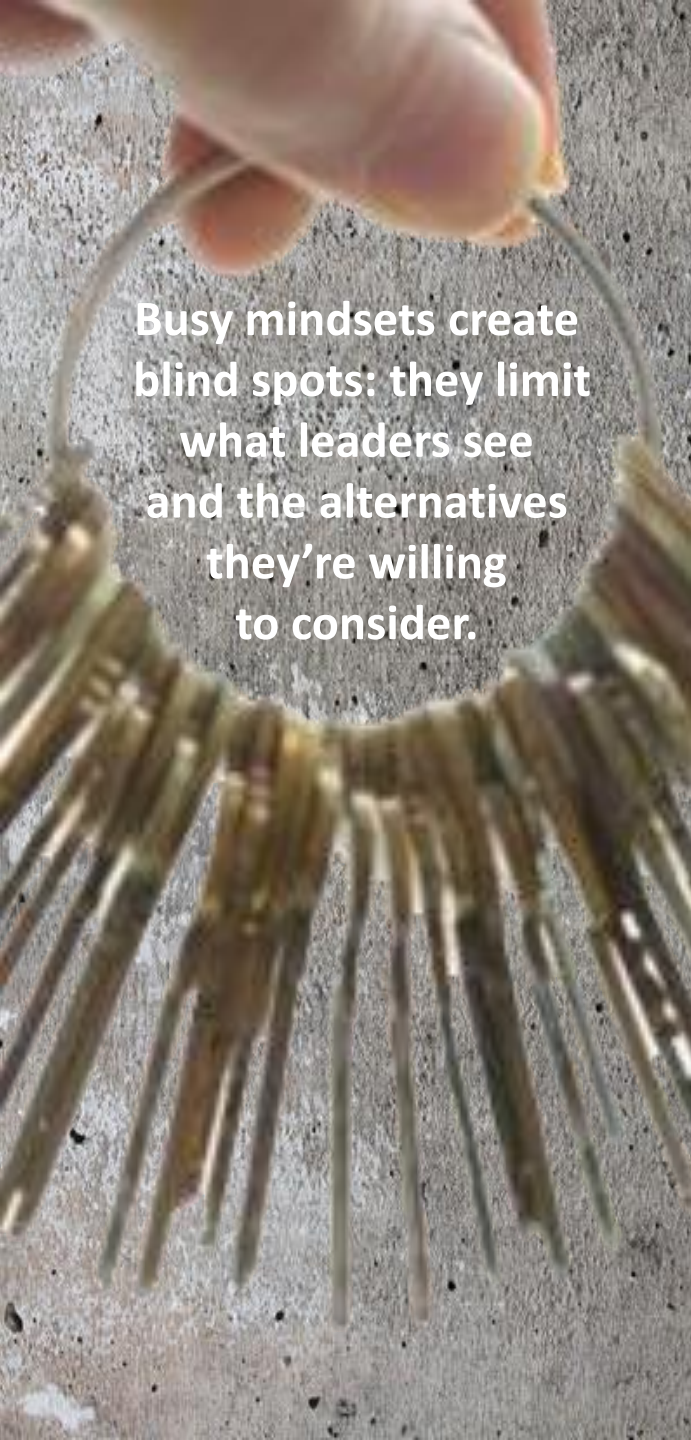
Feelings tell you where you're heading

We know when we're in an unhelpful habit because we feel it. Rather than see things clearly and calmly we get caught up in emotions such as frustration, disappointment or perhaps rage and anger. Whilst these can spur a return to clarity they can also linger and become unhelpful. One person for example might withdraw, someone else might instinctively get dictatorial when caught up in the swirl of emotions like these.

Feelings that become unhelpful can seem like they're caused by the circumstances we find ourselves in or the people around us. But when we step back from this we see that how we're thinking about those people and those circumstances is what really counts. **Our thinking causes our emotional response, nothing else.**

To understand this for yourself just recall a time when you were troubled by a situation and your thoughts about it changed, causing your mood to lift instantaneously. Or think of a time when you and another watched the same movie, you won't have experienced it in precisely the same way. The difference is explained by the fact that what you think, and what others think, cannot be the same, even though you wish it were from time to time!

Intuitively we all know this. You can't smile and feel sad: what we think is linked to what we feel. The problem is we're not aware of it much of the time. Yet once we are, how we feel changes more easily. When our mood drops we know why, so bounce back more quickly than we might do otherwise. We're able to be more resilient. We also start to see the important distinction between mindsets that are busy and those that are clear.



Busy mindsets create blind spots: they limit what leaders see and the alternatives they're willing to consider.

Busy mindsets limit options

When in a busy mindset people have little capacity for exploring new ideas and approaches. They rely on established thinking patterns and what's worked before. For example leaders whose success has been built on the belief that organisations should be run like well-oiled machines producing predictable financial results controlled from the top, rarely see the need to scrutinise this habit. They understandably approach challenges such as growth, productivity and stakeholder satisfaction from this mindset. Efficient processes and systems are their main route to getting 'the machine' to produce the extraordinary results they want.

Except when the results are ordinary or don't meet expectations.

In such times life feels perplexing. There's an opportunity for leaders to question the mindset they're operating from. Yet when not taken their minds become even more busy trying to resolve problems that by their reckoning shouldn't have arisen. The only response open to them is to redouble efforts and do more of the same, which in practice means tweaking incentives, setting tougher objectives, changing processes, restructuring roles and responsibilities etc. Though familiar and of some help, efficiency-based initiatives like these tend to have only a limited and temporary effect. They also risk solving the wrong problem.

Busy mindsets create blind spots: they limit what leaders see. Unable or unwilling to consider alternatives to their long-held beliefs, they unwittingly create additional pressures. For example when a leader is busily caught up on the belief of running their organisation as though it's an efficient machine, they breed resistance in colleagues equally preoccupied with a different idea: that an organisation is akin to a community of people who care about the value they create. Conversely, fixed thinking about a caring community of people can diminish the need for efficiency and create waste.

Tempting though a right vs. wrong battle over beliefs might be, this doesn't help. Having sufficient openness to engage with views that challenge what's considered business as usual does. Depending on context both views could be right. There are many routes to better solutions but in a frenetic and intense work environment such explorations rarely happen. The tyranny of either / or trumps both / and. Different views stay under wraps and clarity remains elusive.

Under these conditions team members hunker down. They do their own thing and often argue with each other. They risk turning everyday business challenges into persistent people-related problems. That's when delivering ordinary results becomes a struggle, let alone extraordinary ones. People resign themselves to the fact that's 'how we do things here.' And it shows in job satisfaction and productivity data.



**Clear mindsets
make adapting to
challenges much
easier.**

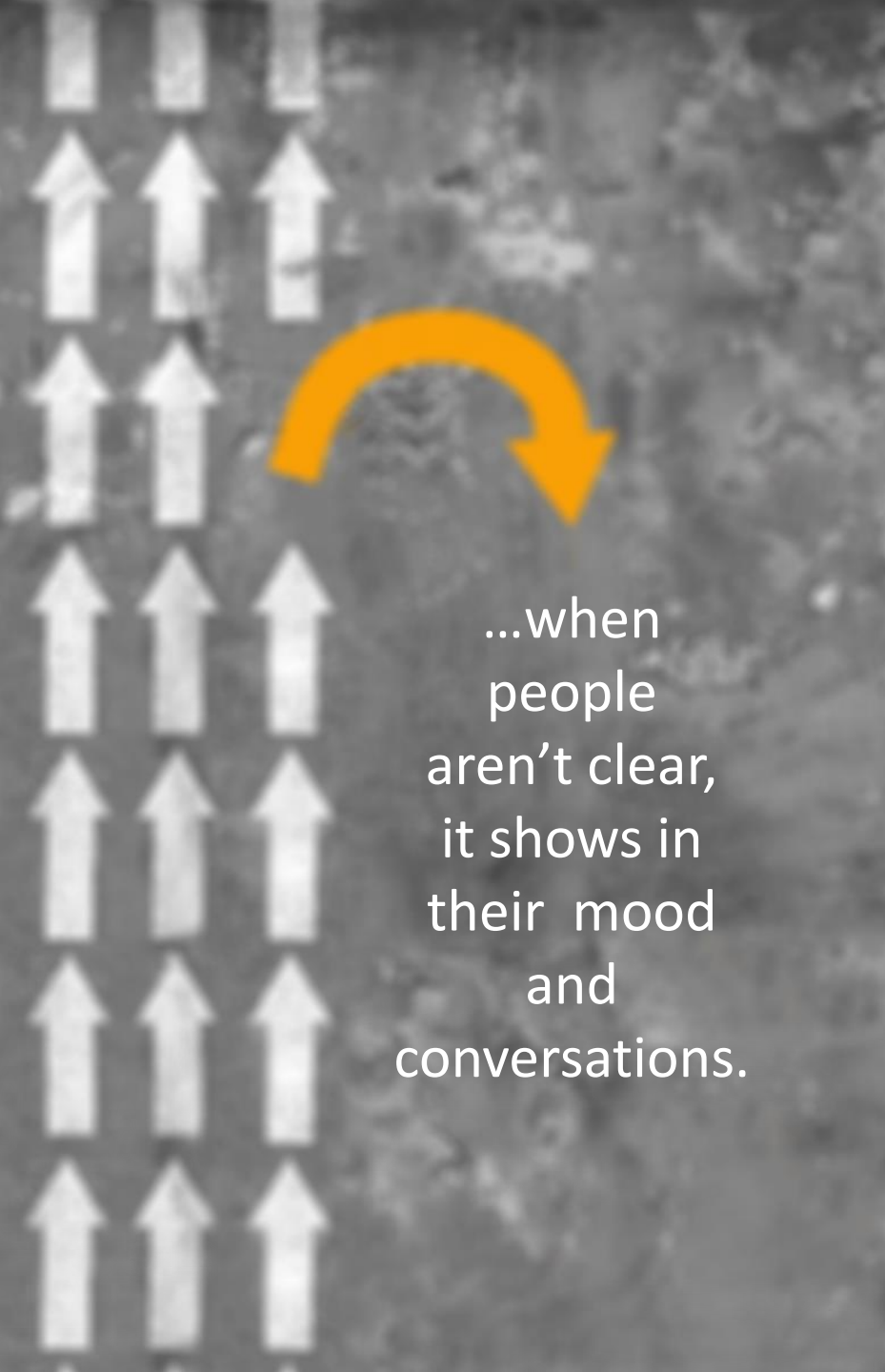
Clear mindsets open up new possibilities

Clear mindsets avoid this risk. They make it easier for people to explore different options and weigh up the emotional and logical impacts of each. This freedom to choose what's right for a particular situation, irrespective of what has gone before, lightens the load a bit.

Sustaining high performance in the face of many different challenges depends on people feeling good and thinking clearly. You and your team know this: when your wellbeing is high you perform better than when it isn't. You see problems in the round, get curious about their causes, adapt nimbly and build commitment to lasting solutions.

In your search for clarity about what's really going on as others think and feel it, you don't busy yourselves with the idea your view is the only one nor get stuck in minds set on a fixed way of doing things.

What's sometimes tricky though is maintaining clarity in yourself first and helping colleagues to the same. There's a lot that can get in the way and drag the mood and performance down if you let it...



...when
people
aren't clear,
it shows in
their mood
and
conversations.


7. Discussions That Go Round in Circles vs. Those That Produce New Answers

Lack of clarity shows up in the discussions you have: they can become heated, measured or overly polite. You've probably seen people's reluctance to speak their mind and leave the really important issues off the table. You may have also observed how the quality of listening drops as egos dominate and people look to either protect or advance their positions.

In these circumstances decisions get taken without knowing the full picture. Talented teams can go round in circles and occasionally fall out with each other. Minds get even busier over the arguments causing the fall out.

This unhelpful frame of mind is compounded when team members gather more information to confirm the mindset they're already working from. Their data bolsters whatever case they're making.

Rather than change their mindset they may also reach for ready-made answers developed by others in the hope they'll work. Clear, insightful discussions of their own, that produce new answers to address their unique circumstances seems inaccessible when under pressure and caught up in busy thinking.



Great
conversations
help leaders
and their
teams realise
minds aren't
set. They're
free to change
at any
moment.

New answers from open conversations

When leaders are not in going-round-in-circles thinking and can see the wood for the trees, they're wise to the dangers of poor quality conversations. We say this because many wax lyrical when in a safe space, such as a coaching session, where they have time to speak their truth in an open let's-discuss-the-undiscussable conversation.

Good quality discussions like these, whether with themselves, a coach or colleagues, help leaders create clarity. Just how much of their thinking is busy becomes clear. They see why the mind needn't be set. And when it isn't, how new answers, previously not considered, appear automatically. Solutions evolve quickly too, they don't have to take a long time as any good executive coach will tell you.


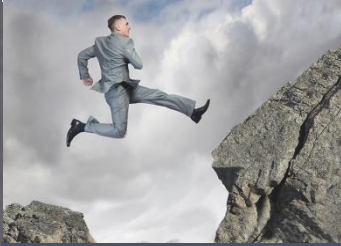



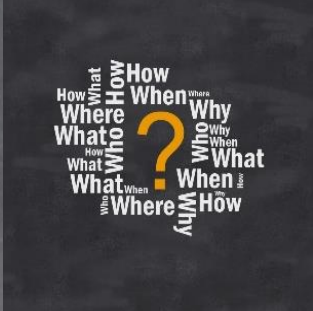

When teams regularly have conversations like these amongst themselves it makes an enormous difference. No matter what challenge they're facing, they see more of what's really going on. In a clear mindset they welcome different points of view rather than let them be a source of division. They feel like a team again so instantly increase job satisfaction and productivity. They find new answers that confound what's considered possible, making extraordinary results much easier to deliver.

Finding new answers that confound what's considered possible, makes extraordinary results much easier to deliver.

8. Further Information

See These Related Papers

And These Informative Pictorial Essays

<p>Insight Paper:</p> <p><i>Your Innate Leadership Qualities</i></p>	<p>Insight Paper:</p> <p><i>Discussions That Tell You If You're Heading Uphill or Downhill</i></p>	<p>Insight Paper:</p> <p><i>Unhelpful Mindsets</i></p>	<p>InfoPic:</p> <p><i>Better Discussions. New Answers. Extraordinary results.</i></p>	<p>InfoPic:</p> <p><i>Clear and Busy Mindsets</i></p>	<p>InfoPic:</p> <p><i>Increasing The Impact of Development Programmes</i></p>	<p>InfoPic:</p> <p><i>Tailor-Made Development Programmes</i></p>
 A photograph of an iceberg floating in the ocean, with only the tip visible above the water surface.	 A photograph of a man in a suit jumping over a rocky cliff edge.	 A photograph of two people in dark clothing bowing low to the ground on a sandy beach.	 A photograph of a man in a striped shirt standing with his back to the camera, looking out over a vast, cloudy sky.	 A close-up photograph of a man's face, resting his chin on his hand in a thoughtful pose.	 A word cloud featuring various words related to business and development, including 'How', 'What', 'Where', 'When', 'Why', and 'Who', arranged around a central question mark.	 A photograph of a tailor measuring a mannequin's torso with a tape measure.
<p>Why you already have much of what you need to lead effectively</p>	<p>Why meaningful discussions and great performance go hand in hand</p>	<p>How mindsets form, become unhelpful and change</p>				

Notes:

- 1 *How good is your business really?* Raising our ambitions for business performance – report by The Productivity Leadership Group
- 2 CIPD Autumn 2016 Outlook
- 3 Guardian article 'Why is UK's productivity still behind that of other major economies?' 24th Nov 2016
- 4 *Beyond Performance: How Great Organisations Build Ultimate Competitive Advantage* by Scott Keller and Colin Price
- 5 McKinsey article: Why Leadership Development Programmes Fail
- 6 The Digital Powerhouse, May 2016
- 7 HBR article: Leaders Need Different Skills to Thrive in Tech

About The Mindset Difference

We help leaders achieve results that exceed expectations.

Our tailor-made programmes are built around a specific, and often persistent business challenge that needs to be resolved.

They are for leaders and teams wanting to raise their game to the next level,
recover from a difficult period or set off on a sound footing soon after they've formed.

We help people understand how their often unnoticed mindsets work.

This helps them uncover new answers that remove what once felt like recurring blocks to higher levels of performance.

We make it easier to overcome obstacles that lessen commitment to new ways forward.
During implementation, we support leaders as they deepen learning and sustain breakthroughs.

There are many development approaches aimed at improving or refining leaders' skills. Others offer ready-made solutions to your challenges.

Ours is different.

We help leaders and teams realise for themselves the difference their mindset makes as they work on getting whatever needs doing done well.

This has four important benefits:

- It ensures existing skills get deployed more effectively and, if needed, new ones acquired more easily.
- It helps leaders uncover new answers and reach their own solutions.
- It increases levels of engagement and commitment to agreed actions.
- It develops leaders and teams more quickly.

THE MINDSET DIFFERENCE

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www.themindsetdifference.com 020 8892 4936