The "Silent Killers" of business success

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Dr. Michael (Mike) Beer, Professor Emeritus at Harvard Business School, explains the "silent killers" of business success that top management are unaware of

For the past forty years, I and my colleagues at TruePoint, a management consulting firm I co-founded, have worked with courageous leaders willing to enable truth to speak to power – them and their top team – about barriers to their <u>organization's effectiveness and performance.</u>

Hundreds of organizations across the globe, in many different industries, in for-profit and not-for-profit organizations, have reported the same syndrome of seven highly interdependent barriers. We have called these barriers the "silent killers" of learning and change because, like hypertension and cholesterol in the human body, they are hidden barriers to organizational health and effectiveness.

The seven "silent killers" of business

My research finds seven silent killers – that is, publicly undiscussable leadership and organizational barriers – almost always block the development of an effective, high commitment, high performance organization, the essential organizational outcomes needed to survive and prosper in an increasingly volatile (V), uncertain (U), complex (C) and ambiguous (A) [VUCA] world.

The seven "silent killers" were identified through an honest organization-wide conversation facilitated by the Strategic Fitness Process (SFP). It is a nine-step process designed by Dr. Russ Eisenstat and me to enable truth to speak to power. It starts with the top team agreeing on and composing a two-page statement of strategic and values direction for the organization. They commission a task force to interview a cross-section of key people confidentially to learn what the barriers to effective execution of the strategy they believe is contributing to ineffectiveness.

In a carefully designed three-day meeting, the task force reports the unvarnished truth about what they found to the senior team, followed by an action plan for organizational change created by the senior team and communicated widely. The seven "silent killers" emerge consistently in two formal studies of SFP implementation and hundreds of less rigorously studied implementations of SFP. (See <u>earlier articles in Open Access</u> <u>Government</u> for more detail.)

The seven "silent killers" represent inadequate organizational, management, and leadership capabilities needed to learn about and change the organization. The "silent killers" are:

- 1. Unclear strategy and/or cultural values and conflicting priorities.
- 2. Ineffective senior team little or no open debate and constructive conflict leads to low commitment to the organization's strategic direction, which, in turn, leads to top team members not speaking with one voice about strategic direction.
- 3. Poor horizontal coordination and collaboration across value-adding activities functions, businesses, geographic regions, or country organizations depending on the size and scale of the organization.
- 4. Inadequate delegation of authority, decision rights, and accountability for results to the lowest possible level.
- 5. Inadequate development of general management and leadership talent, and a resultant paucity of this critical talent.
- 6. Inadequate honest, collective, and internal public conversations about the organization's barriers to effectiveness.
- Ineffective leadership The leader is top-down or laissez-faire (hands–off). She/he does not effectively communicate the strategic direction, confront barriers to effectiveness,

or visibly improve effectiveness.

The silent killers are consistently identified by lower levels as the cause of ineffectiveness. That is because they are stress points – weaknesses in leadership and management skills that underpin them. The constant flow of the best leadership and management talent in and out organizations due to promotions or voluntary departures causes erosion in these critical skills. Few organizations invest enough to develop and maintain these human and capabilities. When organizations face earthquakes – major challenges to their competitiveness – stress points become major fault lines that prevent them from adapting and making needed changes.

Leaders who want to survive and prosper in the long run must confront the "silent killers" and develop them into strong capabilities.

The "silent killer" syndrome

In highly ineffective and underperforming organizations, task forces report all seven to top management, indicating that they are mutually interdependent. Figure 1 shows how the "silent killers" interact to prevent:

- 1. The development of a clear, high-quality strategic and cultural direction to which the top team is committed.
- 2. High-quality execution.
- 3. The inability of truth to speak to power (the top management team), which prevents top teams from learning about silent barriers to effectiveness and changing the organization to overcome them.

The syndrome of "silent killers" creates an unvirtuous cycle of decline in effectiveness, trust, commitment, and performance. Organizational silence seals the unvirtuous cycle from top management's view. The organization is stuck in neutral and unable to improve. The unvirtuous cycle cannot be reversed until top management leads an honest conversation from which they can learn what is not working and why.

The "silent killers" at work in Hewlett Packard's Santa Rosa Division (SRSD)

Hewlett Packard's Santa Rosa Division was formed by top management to enter the internet market by adapting Hewlett Packard's world-leading frequency measurement technology to the needs of manufacturers of cell phones and cellular base stations.

The SFP task force reported that people throughout the organization thought the top team members were each running their own fiefdoms and not acting as a team; the General Manager of the business was thought to be a major reason. Unable to deal with conflict between factions in meetings about priorities and resource allocation, he abolished top team meetings and dealt with members one-on-one to develop goals and monitor their performance.

Agreement that would unite the senior team was now impossible. Moreover, crossfunctional business teams that management put in place to coordinate the development of three new technology platforms were poorly designed and run by engineers who did not have the general management and leadership skills needed.

SRSD's general manager employed SFP to create the needed honest conversation about the division's effectiveness. When he and his top team learned how the "silent killers" were undermining SRSD's effectiveness. He and the top team confronted their own ineffectiveness as a team and redesigned SRSD as a matrix to improve coordination. SRSD repeated SFP for each of the following five years.

This enabled continuous improvements in how SRSD was organized, managed, and led.

Executive VP of the Test and Measurement Business (TMO) spoke glowingly about the positive effects of the Strategic Fitness Process and the honest conversation it enabled:

"Compared to other divisions, it's probably the most dramatic improvement. At first, their results were not so good. Now, they are one of the top divisions in terms of growth in profitability and return on assets, as well as customer satisfaction. Within TMO, they are in the top quarter of divisions and the most improved."

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Mike Beer is the Cahners-Rabb Professor of Business Administration, Emeritus at the Harvard Business School and author Fit to Compete: Why Honest Conversations



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