

It's vital to weigh up your management's strengths and weaknesses before making changes • Zoë Grainge describes how Thames Water did just that

Get the measure of your management

Last October, Thames Water launched a project to redefine its strategy in the UK. It is based on four "pillars": operational and customer service performance, stakeholder relationships, strategic objectives, and people and leadership. It is this last pillar that Thames has paid particular attention to this year.

Two organisational surveys at Thames over the past three years had criticised the leadership of the company, one of the reasons employees said they were not motivated.

As a result, the company put in place a Development Needs Analysis (DNA) programme – with the help of business psychologists Kaisen Consulting – to improve Thames' senior management.

"The employees felt there was no 'engagement' by the management," says Philip Lenz, Thames' head of organisational development and resourcing, and the man charged with executing the programme.

Thames chose Kaisen's programme because it wanted something that was more than just competency-based. The idea behind the project was to understand Thames' in-house abilities, work out what the gap was, and then address the gap. DNA was effectively a "talent audit".

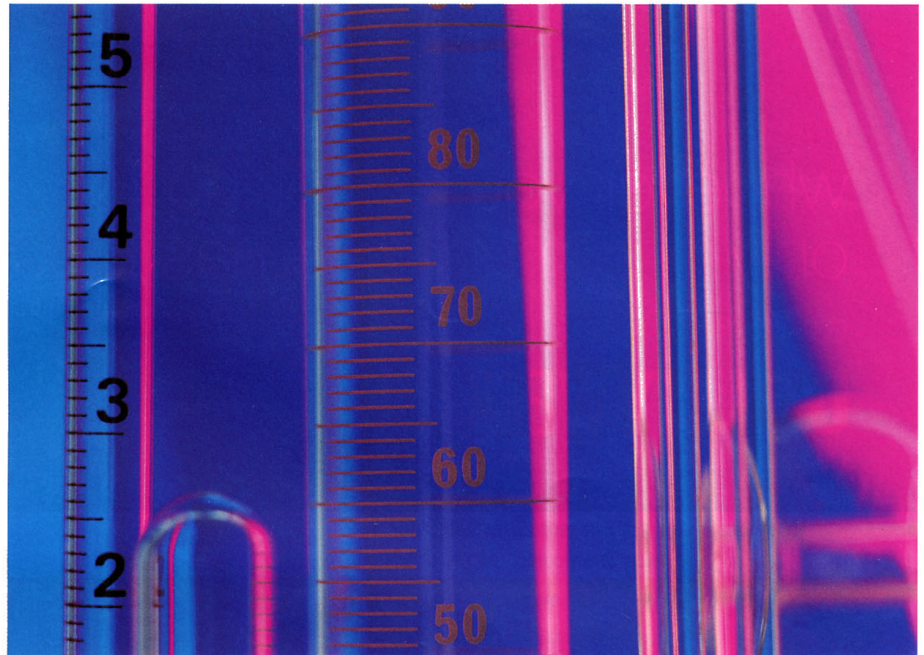
"We did a pilot of the DNA process with the executive management team," says Lenz. "This was a great success. We then went on to 'stage one' where we had 120 managers take part in the process."

Lenz says DNA is worthwhile but requires commitment and time. The full day one-to-one assessment involves psychometric testing, an interview with a business psychologist, personality questionnaires, and know-how and skills audit tests. There is also a half day follow-up development planning which takes the results and translates them into an action plan.

Lenz says DNA identifies strengths as well as risk areas. "We can try to work around risk areas, or address them to improve the person's performance as a leader or a senior manager," says Lenz.

From December to March this year, the top 120 managers at Thames Water went through the profiling process with consultants from Kaisen. They came from right across the business, but the key to the success of the project was the commitment from the top.

"By around February, we had people phoning up saying that they had heard the process was really good and wanted to go through it themselves," says Lenz. "We've had sessions with teams where they share their DNA results."



Testing for talent: programmes such as DNA can help firms target skills gaps among senior staff

Lenz says that, in 95 per cent of cases, the identified risk areas are problems people can deal with themselves: "It's not always about putting people on another training course."

Interestingly, one of the areas where the leadership was found wanting was in "engagement". Lenz says this skill is often associated with female managers. At Thames, the female to male ratio in senior management is 1:4, which, although not as balanced as some other sectors, is good for utilities.

Leaders were also reluctant to be proactive or assertive.

After the DNA, every person who went through the process worked out a development action plan with their manager – with support from HR and external coaches where appropriate.

There were also positive findings. Thames discovered that its managers were focused on achieving results. They had a drive to achieve and to deliver against challenging targets.

They also had a strong customer focus, strong intellectual capabilities and were resilient.

To target development gaps at the top, Thames has launched a "Leading for Change" programme and is planning a series of workshops to develop specific management skills.

Thames says it is already seeing the benefits. It says there is a depth and maturity in discussions that was not there before. Succession planning decisions are now made on the basis of objective and comparable data that comes from a thorough analysis of each person.

The DNA process is also informing business decisions by assembling new teams and turning around poor performance. Thames will assess its leadership again in another organisational survey later this year.

"What's very important," says Lenz, "is that the executive management team behave in this sort of way consistently over time. All the signs are that they will do so. Behaviour breeds behaviour." ■

The process is informing business decisions and turning around poor performance