Action Guidance

Supporting Resilience and Sustainability Through People Behavior

Roberto Crippa, SC Director Tecniplast & IWT
22.09.23
Making our point

The *New Normal* of economic and socio-political environment

New generations entering the labor market

Increased/increasing awareness on climate and social issues

**Resilience** & **Sustainability**

Supply Chain Network (re)design

Renewed managerial, leadership and Human Capital Management approaches
Context Understanding
Unprecedented challenges

Global Supply Chain Pressure Index (GSCPI), 2000-2022

Conceived by the Federal Reserve Bank of New York, the GSCPI combines commonly used metrics on variables that put global supply chains under pressure, like delivery times, raw materials purchasing and transportation costs, overall customs duties.

The GSCPI is expressed in terms of standard deviations from the average pressure affecting global supply chains.

Global Supply Chains are facing a “New Normal” of unprecedented pressure, volatility and uncertainty.

Source: https://www.newyorkfed.org/research/policy/gscpi#/overview
Unprecedented challenges

Overlapping phenomena: “Great Resignation” “Quiet Quitting”

Employee Shortage Skill Mismatch

Younger generation’s impatience

Increased distress and Burnout conditions

Increased competition in hiring and retaining talented People

Digitalization and new working modes

Emerging workplace and social phenomena and acceleration of existing ones
VUCA: the implications

**Traditional environment**
- Known Threats
- Known Environment
- Known Partners
- Known Rules

**VUCA environment**
- Unknown Threats
- Unknown Environment
- Unknown Partners
- Unknown Rules

**Playground**
- Procedures
- Task-orientation
- Detailed command
- Managers
- Executors

**Conduct of operations**
- Scheduling
- Detail
- Tight control

**Tools and focus**
- Principles, guidelines
- Purpose-orientation
- Mission Command
- Leaders
- Professionals

No battle plan ever survives contact with the enemy
*Helmuth Johann Ludwig von Moltke*

Totally different styles in the conduct of operations are required
Action Guidance

achieving organizational resilience
### Action Guidance defined

**What is it?**

The approach to operations management that supports and fosters **decentralized decision-making and execution** appropriate to the situation, exercising **disciplined initiative**

<table>
<thead>
<tr>
<th>What does it imply?</th>
<th>What does it ask for?</th>
</tr>
</thead>
<tbody>
<tr>
<td>provide a clear intent</td>
<td>motivation</td>
</tr>
<tr>
<td>push down decisions where action takes place</td>
<td>competence</td>
</tr>
<tr>
<td>take initiative and (calculated) risks</td>
<td>intra-Team cohesiveness</td>
</tr>
<tr>
<td></td>
<td>inter-Team cohesiveness</td>
</tr>
</tbody>
</table>

**innovation through passion**
Guidance & Control in a nutshell

- Detailed Guidance
  - Prescriptive
  - Narrow (specific task)
  - Compliance

- Action Guidance
  - Descriptive
  - Broad (purpose)
  - Achievement

- Speed
- Risk
- Competence
- Trust

innovation through passion
Making the right choice

**Detailed Guidance vs. Action Guidance**

**Insufficient People’s competence**
- Not yet consolidated mutual trust
- Risk severity unmanageable at lower organization’s levels
- Known and acceptably stable contexts

**People’s high level of competence**
- Well-consolidated mutual trust
- Risk severity manageable at lower organization’s levels
- Unknown and highly unstable contexts

The preferred choice for the New Normal…
… but we must know how to apply it!
Action Guidance: the 7 pillars

- **Empowerment**
- **Decentralized decision-making and execution**
- ** Appropriateness to the situation**

- **Disciplined initiative**
  - proactive, purpose-oriented, behavior and determination

- **Risk acceptance**
  - risk assessment & treatment, error acceptance

- **Competence**
  - method, education, training

- **Mutual trust**
  - shared values, feedback, cohesive teams, relationship quality

- **Shared understanding**
  - context understanding, situational awareness

- **Clear Leader’s intent**
  - unambiguous statements, dissemination, comprehension check

- **Action Assignments**
  - Who, What, When, Where, Why
Action Guidance: required traits

SCM Leaders
Strategic thinkers and engaging Leaders

• quickly and thoroughly understand the (changing) environment
• leverage “fingertips feeling”, sensing what really matters in the fog of unfolding events
• make a vision about the needed course of actions, even with limited or contradictory information
• set the most appropriate guidelines for their Teams
• communicate in a crystal way their intent and guidelines (Management by Purpose)
• empower their Teams to translate guidelines into decisive action
• be frontline leaders, but refraining from doing the job in lieu of their Teams
• manage trade-offs between result accuracy and available time

provide purpose, direction and motivation

SCM Professionals
Proficient navigators of the “New Normal”

• quickly and thoroughly understand their Leader’s intent
• develop situational awareness
• operate on guidelines, not on specific instructions
• be capable of thinking and acting “one level up”
• be capable of improvisation and innovation on the fly

seize the initiative in unclear situations
Human Capital Management Framework

attracting, retaining, and developing the right People
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements

Key Roles

Resignation Assessment

Replacement Planning

Aspirations Assessment

People Development Planning

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements (1)

Key Roles

High Potentials

Aspirations Assessment

Others

Resignation Assessment

Replacement Planning

People Development Planning

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
Designing the Job Statement

Job Statement

Purpose

Accountabilities (Responsibilities)

Skills & attitudes
- Soft
- Hard
- Specific

Organization Unit’s Mission

Organization Unit’s Vision

Organization Unit’s Values

Guidance & Control Model

Organization Structure

Skil Catalogue
Soft Skills for Action Guidance

Example: SCM organization

- Result orientation
- Initiative, creativity, decision making
- Context Understanding, Situational Awareness
- System and Analytical Thinking
- Problem Framing (defining & solving)
- Judgment
- Relationship Management
- Ethics and Integrity
- Adaptive Leadership
- Tenacity, Adaptability, High Stress Tolerance
- Intellectual curiosity
- Self-confidence and Self-development
- Empowerment

If you don’t have them, this is not your right place!
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements (1)

Key Roles

High Potentials

Aspirations Assessment

Others

Replacement Planning

Resignation Assessment

People Assessment

Recruitment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
A holistic and balanced approach

Mission
Vision
Values

Organization Structure
Job Statements (1)

Key Roles
High Potentials
Others

Resignation Assessment
Replacement Planning
Aspirations Assessment
People Development Planning

People Assessment
Recruitment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
innovation through passion

A holistic and balanced approach

People Assessment

**Motivation Assessment**
- Assess the motivation nature (Intrinsic, Extrinsic) and its **key factors** (Driver, Derailer)

**Skill Assessment**
- Assess the Job’s **current and potential coverage** with regards to the target state

**Togetherness Assessment**
- Assess the Team’s overall **functioning dynamics and harmony**

**Relationship Assessment**
- Assess the **functioning dynamics and harmony** among different Teams
- Spot potential **criticalities** and concerned **risks**
- Provide insights for **People Development actions**
**Motivation Assessment: example**

- **Intrinsic motivation**
  The motivational factors determining the motivation that arises from the self-perception and the satisfaction in performing activities, independently from the outer context and conditions.

- **Extrinsic motivation**
  The motivational factors influenced by the outer context and conditions, on top of the ones determining Endogenous Motivation.

Motivation drivers and derailers are to be carefully assessed and duly exploited, or mitigated.
Togetherness Assessment: example

TEAM COHESIVENESS, SCM UNITS

The bonding together of People in such a way as to sustain their will and commitment to each other, the organization and task accomplishment, despite fatigue, uncertainty and stress.
Relationship Assessment: example

- Frequency
- Intensity
- Relevance
- Closeness
- Fluidity
- Transparency
- Empathy
- Alignment
- Involved People
- Quality
- Agreement

SCE-PPR
SCE-LOG
SCE-DMG
PPR-SCE
SCE-PPR

Empathy

Structure
Quality

Innovation through passion
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements

Key Roles

Aspirations Assessment

Replacement Planning

Resignation Assessment

People Development Planning

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
A holistic and balanced approach

Aspirations Assessment

- Assess High Potentials’ and Key People’s aspirations (professional growth, career, work/life balance) in the short, medium and long term
- Prioritize and sequence aspirations
- Assess how these aspirations are realistic and consider them in the Replacement Plan
- Provide the consequent insights for People Development actions
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements (1)

Key Roles

High Potentials

Aspirations Assessment

Others

Replacement Planning

People Development Planning

Resignation Assessment

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
Resignation Risk Matrix: example

KEY PEOPLE AND HIGH POTENTIALS, SCM PROFESSIONALS

Likelihood factors
- Attractiveness
- Retirement
- Salary
- Gratification
- Development
- Leader Fit
- Company Fit
- Personal Matters

Impact factors
- Professionalism
- Potential
- Replacement
- Results
- Competition
- Duck Call
- Morale

Resignation factors provide at the same time a current state appraisal and useful risk treatment insights.
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements (1)

Key Roles

High Potentials

Aspirations Assessment

Replacement Planning

Resignation Assessment

Others

People Development Planning

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills

C
A holistic and balanced approach

Replacement Planning

- Identify, in the short, medium and long term, Key People’s potential replacements through organic (within the organization/Company) or inorganic (within the Group, or external) paths

- Spot major criticalities and wake-up calls

- Assess the Replacement Plan’s robustness in the face of multiple exits

- Provide the consequent insights for People Development actions
A holistic and balanced approach

Human Capital Management Framework

Mission

Vision

Values

Organization Structure

Job Statements (1)

Key Roles

High Potentials

Aspirations Assessment

Others

Resignations Assessment

Replacement Planning

People Development Planning

Recruitment

People Assessment

(1) Purpose, Responsibilities, Soft Skills, Hard Skills, specific Skills
Takeaways

- On mistakes
- On Leadership
In an emergency situation the man who does something is sometimes wrong, but the man who does nothing is always wrong

Lt Gen Julian Byng
Leadership is not being in charge. It’s about taking care of People in your charge.

Simon Sinek
Annexes

SCM Tenets and Leading Principles
The SCM Tenets

Integration
We do not operate independently, but as part of a larger Company/Corporate Organization. We are responsible for integrating our operations within the Tecniplast family, building and keeping shared understanding and a common purpose.

Adaptability
We acknowledge and accept that no prefabricated and ever-lasting solution to operational problems exists. We adapt our thinking, actions and techniques to the specific situation to be faced, accepting calculated risks in unfamiliar or rapidly changing situations, continuously assessing and adjusting the course of action.

Coherence
We set objectives and arrange concerned activities to ensure coherence, among purpose, time and resources. Such coherence is key to ensure an effectively achievable result.

Effectiveness
We organize, educate, and train to achieve unmatched effectiveness under a wide range of circumstances. Effectiveness is a persistent requirement for our Organization: efficiency must not be overlooked, but effectiveness comes first.

Synchronization
We operate to perform multiple, related and mutually supporting activities to produce maximum results with minimum resource usage by sharing information, keeping initiative and self-coordination.
Method (Methodical way application)
Method ensures the translation of a plan into effective and decisive actions. Systematically apply the best-fit method in the tasks to be performed. Hope is not a method.

Context understanding and situational awareness
Understanding the context to be faced and be situational aware is key for acting methodically. Always seek, gather and process all available information to keep shared understanding.

Crystal-clear intent
A crystal-clear intent ensures a non-ambiguous and straight communication, facilitating self-synchronization. Make sure the intent is clearly expressed and understood.

Clarity of Objective
Clarity of objective avoids misunderstanding and depletion of resources. Direct every operation toward a clearly defined, decisive and attainable objective.

Simplicity (Principle of Parsimony)
Clear, uncomplicated plans and concise instructions ensure thorough understanding. Anything that is not strictly necessary should be avoided.
The SCM Leading Principles (2/2)

Priority (Concentration and Economy of Force)
Employ all available resources in the most effective way possible. Concentrate efforts and resources on the primary objective and allot minimum essential resources to secondary objectives.

Unity of Accountability
This to ensure a non-ambiguous and effective Leadership in the course of actions. For every action, seek unity of Accountability.

Initiative (Tenacity)
For every ongoing action, seize initiative and push it down to the lowest possible level and where the action takes place. Delegate decision-making as the situation calls for. Retaining and exploiting the initiative avoids loss of momentum.

Constant, effective and fast coordination
This to allow for synchronized action and changes on the fly, should unfolding circumstances require it. Systematically exchange information and use it to allow self-coordination.

Timeliness
Timeliness supports effective synchronization and avoids the risk of delayed action. Time is a key asset that can hardly be replenished: make sure not to waste it.
Thank you!

roberto.crippa@tecniplast.it

This page intentionally left blank