



## Efficiency Intention

The Efficiency intention aims at productivity growth and requires close leadership attention

*The organisational intentions should guide the choice of leadership efforts. This means that every leader must uncover the strategy and operational priorities that should get the most focus. They should then invest their energy and choose their leadership actions using their understanding of these intentions. The intention to pursue efficiency is one of four crucial intentions for the leader to understand for leading effectively. Organisations will balance the four intentions related to their needs at that point in time. More than 89 per cent of the leadership experts in my global leadership context study agree that an efficiency intention guides the choice of leadership behaviour. They also agree that leaders can influence the leadership context to promote that aim.*

## **The organisational intentions which guide the leader on where they should spend their time**

All organisations will have a combination of four main intentions, focused on the outcomes they want to achieve. A part of effective contextual leadership is to verify these priorities for your area. You must understand which leadership practices to invest your energy in, determined by the organisational intentions. There are four main intentions:

- *Purpose fulfilment* - the strength of the company's purpose contributing to the greater good of society.
- *Efficiency and stability* - minimising operational costs and stabilising operations.



- *Innovation and change* – adapting to external or internal change demands and promoting innovation.
- *Human capital quality* – developing the commitment, competencies and collaboration needed to work effectively.

In this blog, I've focused on the organisational intention related to efficiency and stability.



*Success in pursuing efficiency is deeply rooted in the company culture and setting up an environment which promotes continuous improvement. In this setting, the leader is vital as the daily catalyst for constant questioning and challenging the present.*

**Morten Bechmann, MBA, Global Sales Director, Peter Justesen Company, Denmark**

**Participant in the global leadership context study**

## **Why is the focus on efficiency important?**

Efficiency is all about maintaining high standards of performance based on current activities while prioritising continuous improvement. This intention focuses an organisation on further developing its status quo and making the most of the business as it stands. It concerns concentrating all efforts on the most value-creating activities towards the operational performance goals.

Efficiency is usually measured and managed through a range of key performance indicators which support sustaining stability at a high performance level. These measurements support minimising variation and driving optimisation, alignment and continuous improvement across the organisation.

## What leadership and team behaviours are needed?

- **An organisation focused on efficiency benefits the most from consistent transactional, day-to-day leadership.** It will focus on employee behaviours such as planning their work to meet deadlines, prioritising tasks and working efficiently to make the most of their time and effort. Another key discipline is effective problem-solving to keep operations running and mitigate root causes of variation and stops.
- **Leaders need to understand the value, performance and cost drivers** to implement the efficiency intention, within their remit and related areas. Focusing on upholding and sustaining short-term performance is critical to success, along with continuous corrective actions and promoting discipline to reduce variation.
- **Efficiency concerns constant intensive attention to operating optimally – every day, every hour.** Promoting efficiency means maintaining, refining, developing and extending the existing operation, building on known competencies, business models, technologies and ways of operating. It is constantly getting better at running our business, focusing on making today better than yesterday's performance.



## Some pros and cons of focusing on efficiency

The pursuit of efficiency and stability implies standardisation, automation, continuous improvement and reducing operating costs. These disciplines ramp up productivity. However, it can result in increased work intensity, teams feeling pressured, experiencing lower control over their work and the demotivating effects of less task variety. By reducing variation in processes, leaders reduce the opportunities for team members to feel enriched and valued in their work. Efficient operations can also threaten their autonomy and the freedom to plan their work and decide when to do what. Leaders must be attentive to these potential hindering effects from pursuing efficiency and involve people in continuous improvement efforts to build ownership for the standardisation and diligence of operating with minimum variation.



*Pursuing efficiency should not lead to a singular focus on individual task performance, as this can have negative implications if it neglects the focus on teamwork, collaboration and relationships.*

**Jeff Miller, PhD, Faculty at Creighton University and  
Greenleaf Center for Servant Leadership, USA**

**Participant in the global leadership context study**

## Balancing the pros and cons

The intention to pursue efficiency and stability raises the demand to balance autonomy and alignment in the organisation. The dilemma lies in that continuous improvement practices hinge on aligned processes operating in a standardised manner. At the same time, much engagement is related to autonomy in organising your work as you see fit. In the pursuit of efficiency, leaders need to recognise which processes or functional areas should be standardised to drive optimisation and which are better delegated with the freedom to decide how to operate. At the same time, balancing a loss of autonomy with the push for efficiency means your energy should be invested in involving people in optimising efficiency. This includes considering how the context can be shaped through leadership to set the organisation up for high efficiency and stability.

### **Further advice from the panel of experts – Contextual factors for a leader to shape**

The experts in leadership, HR and academia who took part in my global leadership context research agreed on the following advice for leaders. Formalisation, competencies, the discipline culture and the continuous learning culture are four very influential factors in the leadership context that leaders can shape in pursuit of efficiency and stability:



- **Formalisation** – standardising ways of working and processes, ensuring high-quality documentation, stabilising and allowing continuous improvements.
- **Ensuring the right competencies and expertise** through training and hiring the people running the core functional processes supplemented by developing skills that enable them to drive continuous learning.
- **Strengthening the discipline culture** by involving people in developing habits of diligently complying with standards and holding each other accountable.
- **Leveraging formalisation** by developing a continuous learning culture concerning strengthening the beliefs and behaviours around learning to keep refining existing operations.

Shaping the context to promote organisational intentions is a centrepiece in effective contextual leadership. It is about driving the three-step learning process identified in the global leadership context study. Visit the homepage to learn more about the learning process – the PIA Cycle.

This mini-series contains four blogs on how organisational intentions should guide leadership. The other three blogs look at the intentions to fulfil purpose, innovate and succeed with change, and build human capital quality.

*This blog series is based on my doctoral research studies into the leadership context, involving more than 125 leadership experts. My research identified contextual factors that can significantly help or hinder leadership or organisational performance. It also gave me insight into the contextual dynamics and how to handle these challenges.*

*My blogs aim to inspire leaders to exercise more effective contextual leadership, and assist companies and consultants in developing better recruitment, leadership and talent programmes.*

*Please get in touch if you have ideas, queries or wish to contribute to promoting insights about context and leadership.*

## ABOUT THE AUTHOR

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### **Dr. Torben Noerby**

Torben is an expert in contextual leadership with more than 30 years of leadership experience. Since 2007, he has been a leadership consultant and the CEO of People & Performance, [www.pphr.com](http://www.pphr.com). He is a Doctor of Business Administration from Henley Business School in the United Kingdom.

✉ [tn@drnoerby.com](mailto:tn@drnoerby.com)

🌐 [www.drnoerby.com](http://www.drnoerby.com)