

Hot spots ignite potential



PROFILE

Lynda Gratton is Professor of Management Practice at London Business School. She is considered one of the world's authorities on people in organisations and advises companies across the world. Lynda is the author of three books: *Living Strategy*, *The Democratic Enterprise* and *Hot Spots - why some teams, workplaces and organizations buzz with energy and others don't*. In 2005, Lynda was appointed the Director of the Lehman Centre Women in Business.

PROF. LYNDA GRATTON TELLS ALAN HOSKING WHY SOME TEAMS, WORKPLACES, AND ORGANISATIONS BUZZ WITH ENERGY AND OTHERS DON'T.

YOUR BOOK HOT SPOTS INTRODUCES A NEW CONCEPT INTO THE WORKPLACE. WHAT IS A HOT SPOT?

For over a decade, my passion has been discovering Hot Spots. From a theoretical perspective, the phenomenon of Hot Spots is complex. Hot Spots are organisations we would all want to be part of creating and would want to work for. Some companies have a palpable feeling of energy in them. They are more productive, more innovative, and happier because their employees feel that they are working at their peak potential. The key is a co-operative culture that is diverse, which finds some spark that ignites a Hot Spot.

There are three elements that make a Hot Spot. First, there is a capacity to co-operate. This is easier to

accomplish when working in physical proximity with people of the same age, gender, nationality, and level of education. As organisations become more complex – geographically, in composition of personnel, and size – it becomes more difficult to co-operate. But co-operation alone is not enough to create a Hot Spot.

A second element is a diverse workplace, in which ideas can be exchanged with people who are different from you and often living in a foreign country. When people with different mindsets meet, that offers the greatest opportunity for innovation, where two things are put together for the first time. The ability to do this is boundary spanning, where you can jump over barriers and tap into latent energy.

However, to create a Hot Spot, a third and more ephemeral ingredient is required: some kind of spark, either from a vision articulated by the leadership or from some challenge – a question, discovery, or extraordinary task – that arises for the company that already enjoys the first two elements. Most companies are usually good at one of these elements, but you need all three to have a Hot Spot.

SO A HOT SPOT IS NOT ABOUT A SINGLE COMPANY?

The Hot Spot is not simply a single corporation or place of work. It involves the creation of communities, often self-designated and in unanticipated ways. When Hot Spots arise in and between companies, they

provide energy for exploiting and applying knowledge that is already known and genuinely exploring what was previously unknown. As a consequence, Hot Spots are marvelous creators of value for organisations and wonderful, life-enhancing phenomena for each of us.

CAN HOT SPOTS BE ENGINEERED?

Hot Spots emerge on their own. They cannot be controlled and directed. That does not mean that nothing can be done to encourage their emergence. In fact, there are many ways in which you can actively design for the emergence of Hot Spots. Hot Spots can be encouraged through subtle shifts in the structure, practices, and processes of your company and the way that decisions are made and resources are allocated.

In designing for the emergence of Hot Spots, the ability to recognise and implement best practices from other companies is crucial. However, a word of warning is warranted. My research into the emergence of Hot Spots reveals that although the search for and adoption of best-practice processes is indeed necessary, it is not sufficient. On the contrary, even though importing and institutionalising best-practice ideas and processes is important, other types of processes, which I call signature processes, can also be crucial. Indeed, it is your company's unique bundle of signature processes, combined with industry's best practices, that will ultimately create the context in which

Hot Spots emerge.

I use the term signature to describe the way in which these processes embody a company's character. The term signifies the idiosyncratic, unique, and essentially personal nature of these processes. These signature processes arise from passions and interests within the company, rather than from concepts of best practice from outside the company.

The distinction between a signature process and an industry best practice is not absolute, however. In particular, if a company's signature processes prove especially advantageous, they may be imitated by other companies so often that they eventually become known as best practices.

So while the task of every executive is to find and adapt best-practice processes from outside the organisation to build the strength of the company, an added critical task of management is to be able to identify and articulate the company's signature processes. This is a difficult task. Executives need skills in developing and encouraging both best practices and signature processes. However, much of what executives have been schooled to do in developing conventional best practices flies in the face of the creation of signature processes. In fact, our recommendations for creating signature processes reverse some of the very prescriptions of best practice. To nurture signature process development, executives should rediscover their heritage and unlock the treasures that have been languishing half-forgotten within the organisation, rather than search externally as they do for best-practice processes.

Managers should become sensitive to and elaborate on those processes about which people are passionate and become more in tune with the organisation's values and beliefs. The challenge in designing for the emergence of Hot Spots is to bring in best practices and discover and shape signature processes that reflect the culture of the company.

WHAT CAN BE DONE TO INCREASE THE CHANCES OF A HOT SPOT EMERGING?

The probability of Hot Spots emerging can be substantially increased through the way tasks are designed, how feedback is given, and how technology is used to support the Hot Spot community. The skills, role modeling, and competencies of leaders can play a crucial role, as can the motivation and capability of everyone, and in particular the human capacity and attitude toward spanning boundaries.

HOW CAN LEADERS HELP A COMPANY BECOME A HOT SPOT?

Leadership teams that co-operate send a strong message to their employees to do the same. Another key determinant is a culture of mentoring and coaching. The leader needs to be like Socrates, nurturing a high-quality conversation about possibilities for the future. Attention from the leadership is far more precious than money. (HR)



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