Commitment
It unleashes your potential.
by Chris Majer

Leaders worldwide face the same challenge: How do we develop and sustain competitive advantage? Our practices of leadership and management are inadequate—we need to re-invent our philosophies, practices, and tools.

The breakdown we face is revealed when we examine two standard means for generating competitive advantage.

1. We develop a unique strategy.

Today, with the information and analysis available on the Internet, it’s hard to gain competitive advantage in a unique strategy. Since the information that you use to craft a strategy is available to anyone, your competitors are likely following the same strategy.

2. We devise a unique deployment of technology.

Any technology that you can acquire, consultant you can hire, or software you can purchase can be purchased by your competitors. Technology has become commoditized.

What does that leave you with? Your only source of sustainable competitive advantage is your capacity to mobilize your people to implement your strategy faster and more effectively than your competition.

Why is it so difficult to mobilize people? The practices that we use in transactional and transformational work are out of date. When times call for innovation, hierarchy and process fail us, as these try to standardize the activities that generate innovation. At best this produces marginal or incremental innovation and at worst kills breakthrough innovations. Process and hierarchy are focused on monitoring and measuring activity. However, they don’t work so well in the emerging work that is dominated by tacit work.

Tact work requires high interaction and coordination skills, the capacity to build networks, the competence to think strategically and innovate, and resolve complex breakdowns. Tacit work requires more than just knowledge. The essential components are observing, assessing, declaring, and mobilizing action to attend to the concerns of both internal and external customers. It is informal and ambiguous, often outside the bounds of the standard job descriptions. This makes it difficult to manage and reward tacit work with the current management practices and tools, even though employees may spend most of the day engaged in it.

It is time to revolutionize the practice of management. Welcome to Commitment-Based Management. It is a set of distinct principles, practices, and tools that enable managers to design and deliver powerful offers to their customers, generate innovation, and manage organizations to generate performance and profits by getting the most value from their tacit workers.

A New Look at Work

The core principle of Commitment-Based Management is simple. Instead of seeing work as a mechanistic connection of activities, we see it as a dynamic set of nested commitments. Activity is generated by commitments. When these are clear and focused, we generate high performance. When they are unclear or weak, we generate waste and unproductive moods. In manufacturing, we have effective tools for eliminating waste. However, in tacit work, we generate untold billions of waste. Every time there is a miscommunication, miscommunication, or a commitment that isn’t fulfilled as promised, we generate waste; hence, up to 70 percent of payroll dollars don’t generate much value.

In a commitment-based organization, the core unit of work is not activity, but the making of a commitment between two people (customer and holder). When holders promise the customer that they’ll do something by a certain time, they make a commitment. The making and managing of commitments is largely a linguistic competence.

The practice of management must be seen not as supervising, measuring, and assessing activities but as designing, coordinating, and fulfilling commitments. This requires new competencies—building trust, managing moods, and mastering conversations that enable people to design and deliver on their commitments consistently. Commitment-Based Management opens doors to a new world of productivity, profitability, and innovation.