

HR MANAGEMENT

THE NEW LANGUAGE OF LEADERSHIP — BEHAVIOR SPEAKS LOUDER THAN WORDS

By Neil Cassie

After 70 years since it first appeared Dale Carnegie's famous self-help book *How to Win Friends and Influence People* is being reprinted. It has sold over 16 million copies and to quote *The Times* who reviewed the new edition recently: "...it was digested throughout the corporate world by ambitious men and women intent on climbing their respective greasy poles."

It spawned many thousands of similar tomes across the years, one of the most recent of which is entitled, *The Realist's Guide to Moral Purpose* — enough said.

Clearly some of these guides hit their mark but too many simply sought to promote the author's particular view of the business world in pursuit of an easy sale — usually at the airport departure lounge.

The problem this has created is an avalanche of 'how to' jargon that at some time or another has been inflicted on an unsuspecting workforce. Too often this imposition of 'the latest great idea' has crashed onto the rocks of cynicism, only to be replaced by 'the next great idea' by the incumbent CEO — or most likely, by their replacement.

In an environment where a CEO's tenure is typically less than two years, this 'try this and hope it works' approach is all too prevalent. And what is left behind are the employees of the company — jaded and confused, they use meaningless jargon laden language while wearing the latest slogan on their T-shirts and drinking out of last year's slogan coffee mugs.

Cascade programs that haven't yet finished 'spreading the word' collide in a flurry of embarrassment and confusion with the 'new speak' as it is launched at yet another 'company awayday'. It is not untypical in large organizations to find consultants promoting different initiatives wandering the building — and CEOs continue to wonder of their people "why don't they get it?"

Initiative fatigue

There are many problems caused by this 'initiative fatigue' but mostly (apart from the enormous cost of time and fees) it has bred a culture of lack of accountability within organizations. This endemic issue is to a degree manageable in an environment where leaderships wield a big stick (however well developed their HR programs) and exert the control necessary to deliver the required result at the end of the year. And in an environment where demand is relatively predictable, for a while this is a relatively effective strategy.

You may have to (and almost every company has) cut into the core of the business, lose talented people, under invest in R&D and innovation, slash training and skills development, focus on short term gain at the expense of long term growth, reward the fast win whatever the cost and fail to punish morale destroying bad behavior.

And you tell the investment community that all is well because you have just deployed — at great expense and with great fanfare — a new initiative based on the writings of the latest guru that will solve all the business's underlying ills at a stroke.



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And then...
But now that game is up – or at the very least in its death throes.

Radical shift

Not only is the investment community demanding a more differentiated and sustainable solution to growth creation, but there is also a profound shift taking place within the commercial environment that requires a radical reassessment of leadership behavior. The shift in question is from predictive to non-predictive demand – from push to pull economics and methodologies.

A recent McKinsey Quarterly article by John Seely Brown and John Hagel III highlighted the key issue: “The highly specified, centralized and restrictive nature of push systems across all forms of commerce prevents companies from experimenting, improvising and learning as quickly as they might. Push systems not only inhibit innovation but – even more important – make it much harder to implement incremental process innovations rapidly.

“As demand becomes more and more difficult to forecast, push systems will increasingly fail to deliver the efficiencies they were designed to promote.”

McKinsey’s analysis is chastening for many leaders who, in the assumption of predictive demand, ‘run a tight ship’. Their businesses could be described as having a top down design, with highly centralized controls and clear procedures. They are participation and decision making restricted, resource centric and efficiency focused.

‘Pull’ businesses however – where the leadership recognizes that demand is highly uncertain – are demonstrably different. They have an emergent design model, are highly decentralized, promote independent initiatives, are loosely coupled, modular, participation and decision making open, people centric and innovation focused. And of course, not only do they have a different design, but they have a different language – which gets us back to jargon.

The revolution will not be televised

To illustrate the scale of the task, the dominant language must change from ‘military’ to ‘human’. For example organizations must become organisms, while procedures become ideas.

But, just at the point that companies have to move from resource centric to people centric – their people, as described earlier, have initiative and jargon fatigue. Even worse they have deep rooted cynicism.

This new language however, must not be on a T-shirt, tray mat or coffee mug but in behavior. The ‘new’ language detailed above must not be spoken but experienced. Fundamentally, to overcome the cynicism and fatigue, leaders must replace their faith in the latest guru with their faith in their own instinct and in their people. In this ‘quiet revolution’, actions speak louder than words. And the leader’s first action should be to ask two fundamental questions – who are we and where are we going? What are our values and what is our vision?

Values: Who are we? What are our beliefs and defining spirit? What do we stand for? What inspires us? What will we fight for and against?

Vision: Where are we going? Where does our future lie? Where will we stand apart and secure? Where do our dreams take us?

By asking these questions of themselves, their people and their customers, leaders establish two of the fundamental ‘holding pins’ that enable the alignment of the business.

Within that vision and values framework, a leader can engage their core team in defining the company’s commercial purpose and key strategic platforms that will lead to sustainable growth. But these actions, fundamental though they are, are not the ‘turnkey’ to converting the company from a ‘push’ to a ‘pull’ capability.

Question yourself

The answer to how do we succeed in a non predictive environment lies in the most non-predictive component of every business – its people. The turnkey lies in a third question being asked – not this time by the leader but by every single individual in the organization of themselves.

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Neil Cassie

The third question is what is my value?

Worth: What is my value? Why me? What sets me apart? What do others value me most for? What would those closest to me miss if I was not here? What makes me tick?

The question of individual worth relates not to the generic, commodity commercial experience but to the inherent, intrinsic, personal quality that defines each of us uniquely. By asking this question the leader begins a process that unleashes the human potential of the organization. And by the fact that it matters to the business that each individual defines their worth, it demonstrates that this is not another initiative; that this is not borrowed or ersatz.



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It allows each individual to find out where they 'fit' – independent of their role, title, function, department and division – and provides the third and critical, 'holding pin'.

Ultimately, it creates alignment between values, vision and worth and therefore between the growth of the individual and the growth of the company. Through this process the leader liberates the human capital of the business and answers the question the investment community has been asking persistently – how do you create differentiated and sustainable growth in an environment where demand is non predictive and where you have made all the cuts and efficiencies it is possible (or wise) to make?

The long haul

However, behavioral change of this significance does not come easily. Unlike initiatives, it is not a fashion item designed to displace accountability from the top down.

It is profound and, once begun, is a long-term commitment. Ideally, vision, values and worth endure, no matter who happens to be in charge at any given time. The most advanced leaders know this. They have humility; they know that they are, in fact, in the service of their people and in turn their customers and the communities they serve.

Their value is to inspire, to guide, to create the environment in which their people and their ideas can thrive; to make the decisions that serve the purpose and follow through on the strategies of the business; to create a learning culture where mistakes are as valuable as success; to encourage communities and discourage silos and hierarchies; to foster interdependence and despise politics, cynicism and bullying; to supply the needs of their people in pursuit of a common vision; to create the flexibility that generates speed and quality to market and delight at the point of delivery.

They are not daunted by the notion of unleashing a thousand individual agendas on the business. The idea (as sometimes promoted) that "this will lead to chaos" does not cross their mind.

They know that if they have done their work effectively, that the vision and values will act as beacons for everyone's behavior, including their own and that of their leadership team.

No pain, no gain

Equally, to sustain this critical 'pull' behavior it is vital that the change is not left to chance or placed in the hands of consultants who talk a good game but who don't believe in the principles that will underpin success.

Initially, space must be created for individuals to consider that vision and values and what they mean to them. They must be given the opportunity to 'download' the issues they perceive to be barriers to progress being made; and they must consider the relative distance between themselves and where the company seeks to move.

This 'alignment' phase can be ugly but the company must be big enough to sponsor the criticism and give vent to the emotions – otherwise there is no legitimate progress possible.

The second 'value' phase invites individuals to define their personal worth in the terms described previously, and then to share it with their peers in the form of a story.

This again is challenging but helps to communicate complex issues; allows others to identify with and give feedback to each individual; embraces emotion as a resource to be valued within business; and brings 'the whole person' into the work environment, not just the title.

It also allows the individual to 'hear' their own story and how others interpret it. The complete process is powerful and motivating and helps each individual 'lock-in' their worth with the company's vision and values.

Walk the walk

Finally, the 'implications' phase moves beyond 'speech' to 'action'. It is where 'individual accountability' is generated to a degree and with an integrity that no annual goals and assessment program ever could achieve.

Everyone must ask themselves: "what are the consequences of delivering my value and what steps must I take to manage them?" They must

also ask, "who do I need to help me deliver my value and what will it take to ensure they do that?"

This breeds the interdependency from which a new sense of collaboration, unity of purpose and community are created. These are the foundations of a 'pull' organism.

These two 'consequences' questions then lead to a plan that each individual can negotiate with the business. This in turn begins a process of 'influencing up'.

By taking responsibility for that which they can (rather than moaning about it as they did in the past) individuals and teams then effectively isolate those issues beyond their reach that are the responsibility of their management to 'fix' – and so on up.

And here the final seeds of the quiet revolution from 'push' to 'pull' are sewn.

The issues that go 'up' the chain tend to be significant. The senior managers cannot dodge the bullet as they have their own value to deliver and for once the 'political' conspiracy is a positive force.

The issues may be structural, procedural, hierarchical, resource, skills and development, investment, competitive ideas, and so on. In fact all the issues that sewed the seeds of discontent with employees and the investment community alike in the old and failing 'push' system.

Which brings us back to leaders – to you, the person, the human being reading this article. You, if things have gone well, will have some of the toughest questions to deal with from your own people. But from the analysts and the investment community only the sound of applause as they wonder at how you turned your company to one that thrives in the uncertain, non predictive times in which we live.

And all in such a short time frame, in the face of unprecedented competitive and society challenges and without a drop of blood being spilled.

What a story. ■

THE NEW LANGUAGE OF BUSINESS

In a world where demand is unpredictable and uncertain 'pull' businesses need to create new structures and values to succeed. An example of this in practice is shifting language away from the 'military' models currently favoured to a more 'human' style. So, for example:

- Organizations become organisms.
- Workforce becomes talent marketplace.
- Divisions become creative nets.
- Hierarchy becomes community.
- Instructions become tacit interactions.
- Procedures become ideas.
- Bullet points become stories.
- Metrics becomes dialogue.
- Winners and losers becomes interdependence.

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