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## Forget Charismatic Leaders and Double-digit Growth. It's Time to Step Through the Looking Glass

*By Adrian Savage, President of PNA, Inc.*

The business challenge for this century will be how to help everyone do better, not just a few outstanding performers. Recent events have shown all too clearly what happens when an elite few get so much attention they begin to think they deserve privileges beyond other employees. Accessing the potential in the *whole* workforce will require different organizational and management techniques and structures. That is the only way we can sustain anything near our historical levels of corporate growth.

Some of these changes are already underway, caused by economic pressures to cut costs and sustain growth in earnings. Others will follow. Since I have no claim to second sight, I have little idea what these changes will be. Nobody does. But I think we can get a shrewd idea of many of the areas they will have to address.

### **Ending That Remedial Mindset**

Most training and development work up to now has been either remedial - to correct supposed weaknesses - or to bring people up to a required standard of capability.

By the latter part of the 20<sup>th</sup> century, most people could look forward to a secondary or high school education. Before that, the majority left school early - around age 14 - and took jobs in factories or on the land. Managerial or professional positions were reserved for the rich and the upper classes. To have a clerical role was enough to catapult a family into the middle class.

Today, college and university education is available to all those who want it. It has become the norm. More and more people are undertaking postgraduate degrees. Taking professional or managerial jobs is far more commonplace, as computerization removes the need for clerical positions and technology removes many blue-collar jobs. Those who don't make it to managerial levels are increasingly employed in lowly paid service positions in retailing, hospitality and customer service.

This marks an enormous change. Development is now about making already successful people - at least in terms of historical precedent - even more successful, not bringing people with a basic education into positions that in the past would have been beyond their reach. We have raised the bar, but kept the same training methods: a recipe for continual failure. In place of "mass market" training, we need highly individualized approaches. Instead of looking for ways to correct weakness, we need to concentrate on how best to increase what is already strong.

### **Curbing the "Growth Junkies"**

We will have to suffer the cold turkey and wean ourselves from our addiction to constant growth. It's already happening to investors. When did producing more sales, profits and output every quarter become the only game in town? The pernicious cult belief in "up or out" spread to organizations as well as those responsible for the people within them. We have all become growth junkies.

What if constant growth is no longer possible, at least without the kind of creative

accounting and other corporate tricks that have so undermined public confidence in major corporations? What about doing as well as last quarter, despite adverse market conditions - or well enough to pay good dividends to shareholders and offer long-term, stable employment?

Addiction to impossible levels of sustained growth warps the way we deal with people. It opens the door to charlatans and those willing to mislead others to maintain the illusion of success.

### Measurement and Trust

Constant demands for greater measurement abound, even while leaders are exhorting their subordinates to have faith in top management. Measurement is the *antithesis* of faith. Top executives want more measurement of those beneath them only when they have lost faith in their subordinates' willingness to act in the best interests of the organization.

Continual assessment and measurement is just about the strongest indication we can make that we no longer have trust in the people we are measuring. If we trusted them to do what they are paid to do, why would we need to keep checking up?

The link between tight regulation and obsessive measurement and complete lack of trust has been made very clear by the Enron debacle. Faced with the betrayal of thousands of people, the immediate response has been to demand tighter regulation and oversight of companies. Quarterly accounts are being scrutinized as never before, not to discover how the business is faring, but to check for any indications of concealment or sharp practice. We have lost faith in published figures, so we want more of them.

How do we behave when we feel that we are not trusted? With distrust, naturally. Especially if we know that one possible outcome of all

the measurement of our performance may be to cost us our jobs. Firing the C performers every year is an act of coercion that would be roundly condemned in almost any other circumstances. Can you imagine the outcry if a state decided that it could save money, and improve performance overall, by sending anyone with costly medical needs over the state line to be someone else's problem?

Organizations that continually increase their monitoring and assessment of their people are giving them a clear sign that the company's belief structure is that people will not work unless they are forced to do so by fear or bribery. Assessment and appraisal that lead to rewards and punishments are the hallmarks of coercive management. Such coercive systems remove people's accountability and sovereignty, limit their freedom and quickly encourage dependency, passivity, fraud and concealment.

### Stepping Through the Looking Glass

Suppose we implemented the opposite of these standard responses? What kind of business world might lie on the other side of the looking glass?

It would be a world where corporations valued positive emotions and encouraged people to find where they fit best and enjoy work most. Trust would be a two-way process: the organization would trust the employee to act in the best interests of the whole, and the employee would trust the organization to do the same. Layoffs might still occur, where the alternative would be collapse and loss of employment; but they would be the last resort, not the first choice.

Gone would be the cramping over-emphasis on practicality. No one was ever inspired to great endeavors by thinking about short-term practicality. Only idealism ever inspires. Corporations that favor idealism over pragmatism produce more innovative, more

inspiring, and more motivating ideas. Pragmatism is fine for second-rate businesses handling commodity products, but that route will never win long-term market leadership. Visionary companies, and leaders with a fierce resolve to implement those visions, consistently win over the long haul.

On the other side of the looking glass, organizations would retain key employees with long-term rewards, such as development, security, and opportunities for personal growth; not just short-term ones like bonuses, and stock options.

Where employees have learned to distrust the long-term security of their employment, they will always demand large rewards *now* as insurance against future lay-offs. If we want people to look to the long-term for their returns, we have to offer the kind of security and support that warrant their trust. The corollary of this must be that consistent, long-term performance would be seen as more valuable than quick wins (and long-term losses).

The more the demand for quick, measurable results, the more our aims become distorted to give only these - even if it hurts the organization's interest in the longer term. There's no doubt that Enron produced some very impressive quick wins.

Potential is worth so much more than current performance. Indeed, it is the basis of all performance, current and future. Instead of paying reluctantly to try to deal with any present performance shortfalls, which are only the symptoms of some underlying malaise, looking glass organizations go straight to the fundamental drivers of excellent performance: being in the right role, with the right support, and the freedom to contribute whatever gifts you can bring to your work. A group of free people, acting together out of choice and shared beliefs, will always outperform pressed

labor and those whose loyalty and interest goes no further than the salary check.

Most corporate training is still based on the underlying assumption of stipulating what others must do and judging them according to performance. This is not the way to promote learning. Training of this kind is 'us' versus 'them': the expert teacher instructing the ignorant student and demanding compliance. Compliance never produces better than mediocre performance. None of us can do anything well if our hearts are not in it.

Real learning only comes about when people engage in an act of free will, an act of passion, choosing to listen and seeking to understand what will improve their knowledge or skill. Our own schools should have shown us that when alienated pupils withdraw their consent to learn, no amount of teaching produces any result at all.

Our organizations, like our society, have a long history of trying to deal with problems by coercion of one kind or another - legislating against them, or trying to drive them out of existence, instead of exploring to understand what produced the problems in the first place and continues to sustain them. At best, this drives problems underground; at worst, it gives them something to push against to build up their muscles. We need to understand the futility of this kind of behavior.

### 21<sup>st</sup> Century Organizations

- Organizations that will prosper in current and future circumstances will seek out the root causes of good or poor performance and work on these. They will treat symptoms as warnings, not the problems to be addressed.
- While others are fixated on instant success, these organizations will quietly build the capability to succeed this year, next year and far into the future. They will develop strength like marathon runners

and avoid sprinting. They will not sacrifice their futures to manufacture short-lived results that soon fade.

- These organizations will value sustainable performance and seek to retain key employees with long-term rewards, offering the security and support that generate mutual trust.
- They will avoid coercive forms of measurement, using only approaches that help people discover where they fit best, and what gifts they can use to create a satisfying and successful career.
- They will never equate leanness with fitness, so they will avoid cutbacks for the sake of appearances. They will steer clear of the endless cycles of corporate anorexia and bulimia that have characterized past decades.
- These organizations will understand that genuine development of potential produces long-term, qualitative benefits that will not be reversed by the natural turbulence of events.
- They will act on the knowledge that individual learning and growth are essential insurances against the unknown risks of volatile markets, not costs to be minimized or removed when things get tough. Would you cancel your homeowners insurance as soon as you heard there were thieves in the area?
- Finally, organizations for the 21<sup>st</sup> century will value people for their futures, not their past. They will invest freely in helping them add to their potential. They will hold to values that encourage freedom to innovate and respect people's innate sovereignty over their lives.

#### About the Author

Adrian W. Savage is president of PNA, Incorporated, which provides solutions that enable corporations to manage succession management, employee retention and talent utilization. He is also the author of "A Spark from Heaven?," a radical new

look at the nature and development of potential in organizations, teams and individuals. Author and management guru Beverley Kaye says the book is "...a must read for senior leaders and HR professionals who want to understand and send a message about the importance of having a potential-friendly culture...a guide book for managers and supervisors who want to learn how to unlock the potential of the talent on their teams...a users manual for employees who want to take charge of their own lives and careers by exploring and unleashing their potential."

As a result of his lifelong interest and research in individual development, Mr. Savage founded PNA, Incorporated. PNA provides corporations with solutions for talent management, organizational development, succession planning and key staff retention. Using proprietary approaches that have been developed and proven over more than 15 years, the company helps national and international clients maximize individual, team and organizational strengths to achieve their business goals. PNA is part of the global RSM International network. For more information call 908-541-1700.

#### About Work In Progress Coaching

Founded by Camille Smith, Work In Progress Coaching specializes in increasing the performance and productivity of executives, managers and teams. Her approach enables people to achieve organizational goals while maximizing personal and corporate resources. "When people access their potential and produce results that they thought were impossible, two powerful things happen: the bottom line benefits *and* people's view of what they can accomplish together is expanded. This gives the individual and the organization the ability to create and fulfill rewarding futures."

As an associate of PNA, Inc., Camille is a certified NetTPS™ Solutions Provider. For more information, call 831- 685-1480 or visit [www.wipcoaching.com](http://www.wipcoaching.com).