

Viewpoints

Staking Out

by Hersch Wilson

In the World of the Plains Indians, when leaders or young warriors deeply believed in and were passionately committed to something, they would tie themselves to stakes in front of an approaching enemy. They staked themselves out, risking everything in defense of their deepest beliefs, in order to make a statement for all to see. Their lives were often spared by an enemy impressed by their courage and commitment.

Like individuals, every company has a fundamental set of beliefs, a world view that shapes their thinking and actions. The following are Pecos River's deeply held beliefs about business in today's world...beliefs we're willing to "stake ourselves out on."

- ▼ The purpose of a business is to successfully solve the problems of customers.
- ▼ The commitment and loyalty of the individual worker is critical to the success of solving the problems of customers now and in the future.
- ▼ The role of leaders is to:
 - ◆ Grow the commitment, loyalty, skills, knowledge and understanding of the people in the organization
 - ◆ Free up and focus the maximum amount of people-energy on the right tasks

WHAT'S THE PURPOSE OF YOUR BUSINESS?

When asked this simple question, most people automatically answer, "To make money." This is sometimes disguised as "To increase shareholder value."

Which is, of course, the wrong answer.

The purpose of a business is to successfully solve the problems of customers, the ones they have now and the ones they will have in the future.

Ironically, when corporations were first chartered by governments, that purpose was clear. For example, according to the New York Times, "Chase Manhattan Bank began in 1799 as the Manhattan Company not to lend dollars but to supply treated water to a New York swept by yellow fever."

When they first solve significant problems for customers, organizations then make money. Like a strand of DNA, the sequence is everything.

This sequence needs to permeate every facet of the company every day, from the shipping dock to the boardroom. "How does this help us solve the problems of customers?" is the first and most important question at every turn.

The problem is often that senior managers — and sometimes the entire organization — get caught up in internal issues. They turn their focus to financial measures or other intra-organizational distractions, and slowly but surely drift away from customers.

Future success will require the deeply held belief of solving customer problems, and the ability to execute that belief—flawlessly and continuously.

The driving forces of this belief and its execution are the passion and the excitement generated by imagining and building the customer solutions of the future. If this passion and excitement doesn't exist, the business doesn't stand a chance to succeed in the hyper-competitive world in which we work.

Where must this passion and excitement reside? The answer is clear: in *real people* who show up for work each and every day.

THE COMMITTED AND LOYAL WORKER

Organizations, large and small, are composed of individuals. But as obvious as this may seem, our experience is that the individual is often lost in the mix. Labels like “workforce”, “employees”, “part-time”, “union”, “non-exempt” get applied to individuals, lumping them together in a blurred and confusing mass.

No matter what the annual report says, no organization exists as a tangible entity. There is nothing you can touch and feel to say, “This is the corporation.” An organization is not the buildings, the patents, the machinery or the profits. It is the people: their energy, relationships, time, ideas and resourcefulness.

“Life and work is with people”, goes an old Yiddish saying. If you want to create high-performing, sustainable, human organizations, you must understand and motivate people to gain their loyalty and commitment.

Remember, work is not our sole reality. We have children that we dream and worry about. We have lives separate from the mission of the company. We are each whole and unique human beings no matter what our position in the corporate hierarchy.

We come to this nebulous place called “work” for our own reasons, to meet our own needs. The vast majority of us come not only for personal economic reasons, but also because we want to belong to something important: to do good and competent work, to have some control over that work and to be respected and treated as individuals.

If leaders—from senior managers to front-line supervisors—can meet those needs, people will flourish. If leaders can create environments that are intellectually challenging and that foster economic, psychological and physical security, individuals will become highly engaged and committed to their work. Those workers won't just “do the job”; they will put the maximum amount of their creativity and energy to work solving customer problems.

In stark contrast, environments of fear, anxiety and insecurity create anger. Environments where individuals are treated as commodities generate apathy and mere compliance.

Humans are not “wired” to do one job over and over again. Humans are designed to think, to create, to have opinions. We are generalists, innovators, tinkerers. We are by nature highly adaptive and creative.

“A human being should be able to change a diaper, plan an invasion, butcher a hog, conn a ship, design a building, write a sonnet, balance accounts, build a wall, set a bone, comfort the dying, take orders, give orders, cooperate, act alone, pitch manure, solve equations, analyze a new problem, program a computer, cook a tasty meal, fight efficiently, die gallantly. Specialization is for insects.”

Robert Heinlein

That adaptability and creativity are the very qualities that organizations need right now. Despite the rise of technology, the importance of the individual worker is increasing. As the often painful transition from an industrial-based to an information-based society continues, “knowledge workers” that have the information, experience, connections and wisdom will form the true intelligence base of the company.

In the industrial era, we hired hands and strong backs and they were — right or wrong — easily replaceable. In the information era however, we hire and retain brains.

“The means of production once firmly in the hands of the company—buildings, machinery, patents—are now the minds and the imaginative power of the workers. . . and that shifts the balance of power.”

Peter Drucker

It isn’t enough that your critical employees simply show up for work, get a paycheck, and leave at the end of the day. They must be free to use all of their imaginative power to take risks and try new approaches. For your organization to thrive, employees must be highly committed: to the work, to your customers, to your company.

“Commitment” means that individuals will do whatever is needed to create the desired results. They will use their creativity and courage to deal with problems, changes and obstacles. Committed individuals have a high level of ownership and passion, and a willingness to accept accountability.

FOLLOW THE LEADER

“The industrial revolution is over. It was never the best use of human beings. Human beings have minds and are problem solvers. The question for the future of most organizations is how can they create environments where creating, thinking and problem solving are valued above all else.”

Dr. Amy Edmonson, Harvard Business School

Fostering high levels of commitment, creativity and courage is at odds with traditional “control” management. It’s different than making sure employees haven’t violated company vacation policies. It is different than explaining how well the stock and their 401Ks are doing.

It requires the mindset and skill set to cultivate participation and share responsibility and power with employees.

At Pecos River, our belief is that leadership of business organizations today requires transformational change. It is time for leaders to change their game; to view their roles, their stakeholders and their organizations differently.

Customers, the workforce, stockholders, the community: these are the entities that look to an organization's leadership for a share in the mission and purpose of the organization. It is leadership's job to juggle, motivate, convince, sell, balance and inspire all of these sometimes competing interests. Doing all of this within our complex, rapidly changing and competitive world has made the task of leadership, of leading human beings in any business endeavor, much more interesting...and much more difficult.

Dofasco Steel is one of the oldest and most successful firms in Canada. In the late '80s and early '90s Dofasco went through a huge structural and cultural revolution to remain competitive. One of the cultural aspects of this revolution was giving their people more decision power and requiring from them more accountability. While still ongoing, the results of Dofasco's cultural change effort have been remarkable.

An illustration: one of their mills had a huge piece of machinery that was continually breaking down, causing expensive delays. Overhauling it would shut down the line for an unacceptable length of time — 21 days, according to engineers and managers. In the old days that would have been the end of the discussion.

But in the new Dofasco, it didn't end there. The line workers thought about it, played with ideas, worked through solutions and kept after management. They came up with an idea that would overhaul the line and only cost 5 days. The manager in charge told them they were crazy, that if they could overhaul the line and be back up in under 7 days, he would eat the meeting table.

But they were persistent, and management finally gave in. The supervisors and the line staff reorganized shifts, eliminated the red tape, busted the bureaucracy and took on the task. It took them a little longer than 5 days, but they got the job done in less than a third of the time predicted by the engineers and management at huge savings to the company.

No word as yet on the meeting table.

"We thought, because we had power, we had wisdom."

Stephen Vincent Benet

Leadership is not a function of "position-power," of where you are in the power and political structure. Being a leader, someone people follow because they want to, not because they have to, is about who you are and is measured by what you stand for.

Leadership that can inspire and serve will make the difference. Leadership that focuses on developing and growing people as its primary personal and professional goal will create organizations that are healthy and sustainable regardless of the level or intensity of change.

Painters refer to “pentimento”: as new paint ages on a previously used canvas, the painted-over images reemerge and what you are left with is a jumble of different paintings from different eras, often without coherence or shape.

Being a leader in business has traditionally meant wearing many masks, having your true self covered by many layers of paint. It meant you needed to be a “numbers person,” a hard-liner, someone who never stopped thinking about next quarter’s numbers, market share and competitive advantage. It didn’t matter that you had a family, your own health and personal life. Your persona, your mask was business, profits, the bottom line.

This required you to push away the deeper questions: “Who am I?” “What do I stand for?” “How am I making a difference?” “Am I positively impacting my community and the world?” Those were left for Sundays, or for those late-night moments waking from a dead sleep. Never mind that 95% of your waking life seemed to be spent on “the business”.

The prevailing line was that those questions and their answers were irrelevant as long as the numbers were there. As if business leaders, upon our deaths, should be proud to have on our tombstones, “Here lies William, he grew market share 17% against the competition.”

Obviously not enough, it is an absurd view of a human life. The world, workers, and customers cry out for leaders who come to work to make a difference, to make the world better (and not just for stockholders), to grow and develop people, and to build healthy, sustainable businesses.

In fact, it is in the answering of those important questions of meaning and purpose, regardless of where the answers might take you, that true leadership (and the wisdom credited to leaders) resides.

“It doesn’t happen all at once. You become. It takes a long time. That’s why it doesn’t often happen to people who break easily, or who have sharp edges, or who have to be carefully kept. Generally, by the time you are Real, most of your hair has been loved off and your eyes drop out and you get loose in the joints and very shabby.”

Margery Williams, The Velveteen Rabbit

WORK ON A TASK

Strip away the job descriptions, strip away all the tasks and objectives. Leadership at its core is about freeing and focusing the energy of people to do the right things.

Energy, which the dictionary defines as “the capacity for vigorous activity”, is finite. Since there’s only so much mental and physical energy in any organization, it’s the leader’s job to make sure it is focused on the right tasks.

There are myriad issues and problems inside any organization that continually drain and defocus energy. There is the office politics, there is the lack of skills, knowledge or information. There are turf battles and egos in conflict. There is hostility and misunderstandings between people and groups of people. There are bureaucratic policies and procedures that often prevent work from getting done or customers from being served. There is

the belief that the work is unimportant, or of value only to the extent that it increases the wealth of stockholders. All of these distractions rob energy from the task.

In some organizations, fear of losing jobs and fear of management results in energy being used to play the traditional corporate game of “CYA”: take no risks and blame the other guy. In other organizations there exists anger and apathy – both threats to morale and energy.

Many organizations often unconsciously slip into a mode of operation that “kills the messenger” who brings bad news, and “ostracizes the messenger” who brings ideas that are different or strange.

“The most fundamental assumption of the underground managerial world is that the truth is a good idea when it is not embarrassing or threatening—the very conditions under which it is especially needed.”

Chris Argyris, Overcoming Organizational Defenses

Unfortunately, in most organizations this assumption is not only undiscussable, but the fact that it’s undiscussable is also undiscussable. We don’t talk about the frequent truth that we are all scrambling for status, and that it can take precedence over, and energy away from, getting the real work done.

Of course as human beings, we are first and foremost political and social animals. We can’t help but observe, and often, compete for, status. Just as we can’t help but love our children, our instincts for self-promotion and self-protection are a built-in part of our genetic legacy.

But we also have the ability to “wake-up” and observe how destructive these routines and behaviors can be; and then we can work to change them. Often it is a business crisis that temporarily grabs everyone’s attention and helps them focus on working together at high levels of collaboration. This is the “flood” scenario: the whole community pulls together to sandbag the river, letting go of petty politics to serve a greater cause. . . survival!

Often the task of leadership is to simulate a crisis, wake the organization, and ask: “What is the game we want to play?” “How do we want to interact with each other?” “Do we want to tell the truth?” “Do we want to support each other?” “Do we want an environment in which we trust each other?”

If leaders can move a business culture (how individuals think and interact with each other) from what we call a Playing Not to Lose culture to one based on the values of Support, Trust, Accountability, Truth and focused Energy, they will have gone a long way toward both releasing more energy and keeping that energy focused on the important tasks of the company.

THE “SOFT STUFF” IS THE HARD STUFF

Creating this new culture is the hardest work any leader can undertake. Many senior managers don't believe they have the resources or the time for it. But be clear on this point: leaders and managers might long for the sterile air of strategies and numbers, the clean logic of spreadsheets and reports, but it is in the rich and fertile soup of people, emotions and relationships that creation happens, work gets done and companies succeed or fail.

The fear of opening Pandora's box can be palpable. “If we ask people to start telling the truth, the real truth, God knows what they might come up with!” And it's true, especially with businesses that have been very authoritarian, that when conditions are created where people can “vent,” they vent. But over time, given the opportunity to create a truth-telling, forthright and supportive culture, most people embrace it because it is right for them, it allows them to grow and to flourish.

When that happens, when individuals believe they are doing purposeful and meaningful work, when they work for, and with, leaders who they believe have their best interests at heart, they can accomplish anything.

Intuitively, we all know this. Our hunch is that you have also staked yourself out on many of these beliefs. As Plato wrote, education is bringing forth what we already know. Yet it is often a struggle to bring intuition into practice.

If you agree with our point of view, if you are willing to stake yourself out, Pecos River can be a catalyst to help you and your people move from intuition to action, allowing you to release and focus the energy of your organization to produce the results that will be sustainable long into the next century.