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Selected Reports from the
12th World HR Congress, London 2008

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Congress host:



Adecco people

We inspire individuals and organisations to create greater efficiencies, effectiveness and choice in the domain of work, for the benefit of all stakeholders. As the world's largest employment services group, a business that has a positive impact on millions of people every year, we are conscious of our global role.

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Dear all



The 12th World HR Congress viewed the status and future of the HR profession with a wide-angled lens. Expert speakers covered the spectrum of HR's growing range of activities and brought to life practical and theoretical insights for a multi-national audience drawn from 76 countries.

Crucially, it was not only HR professionals that were chosen to speak; some of the most renowned business thinkers of our age as well as corporate heavyweights from other functional fields shared their viewpoints. This reflects the evolution of the HR profession that today has a strategic role centred upon the attracting, retaining and developing talent, which naturally, as world leader in HR services, is the key focus of Adecco.

This publication includes reports on 14 speeches held during the congress. The selected reports provide a useful cross-section of the topics covered. For those that attended, it should reinforce key learning and provoke further ideas. For those unable to attend, it should provide new food for thought on the people management challenges of today.

Adecco is honoured to cooperate with the WFPMA, CIPD and the various speakers to present this publication. I am sure you will find it enjoyable and rewarding reading.

A handwritten signature in dark ink, appearing to read 'Dieter Schieff', written in a cursive style.

Dieter Schieff
Chief Executive Officer, Adecco SA



“We need a broadening range of competencies, beyond accepted core HR skills”

Florent Francoeur, CHRP
President and CEO, Quebec HR Association, a member of the Canadian Council of Human Resources Associations
President WFPMA

Key note address: The road to becoming true strategic partners

Florent Francoeur

The World Congress provides an amazing opportunity to learn about and shape the future of our profession. Delegates attend the London congress from 76 countries worldwide, providing a representative cross-section of the 400,000 HR professionals belonging to the national associations that are part of the World Federation. Together, as professionals we are exploring many of the key people management challenges impacting the 21st century.

Whilst these challenges differ from country to country – there is one constant: The HR function must and can learn to play a key role in all countries, functions and organisations. It is no secret that the landscape in which HR professionals operate has shifted dramatically in recent years. The world is constantly changing and HR must keep pace with changes such as globalization, the impact of new information technology, the expansion of outsourcing and telecommuting these and other trends are changing practices and make further change inevitable.

With these trends have come human challenges that must be addressed urgently and effectively to ensure human transitions are managed as swiftly and effectively as possible. Our role is to manage talent and change, whilst coping with a diminishing but increasingly mobile and diversifying workforce and an ever-growing pressure to be more competitive and productive.

Even more than before, HR professionals need to become creative, innovative and proactive in order to be able to contribute to strategic decisions. As the world is shrinking so rapidly we need to make sure we understand and respect new points of views and perspective – “one size fits all” no longer suffices. Our challenges are multi-layered, in a way like a Russian doll – there are challenges within challenges.

Change is our big challenge, from which we can define our three main aims: to manage talent; to manage and market organisational change; and thirdly to become strategic partners.

Managing talent means attracting and retaining the right people for the right job and encouraging employees to remain committed and loyal, more so now than ever because organisations are fiercely competing for the best and the brightest. Labour shortages in many countries will make it imperative for many HR departments to help create an organisational culture that is attractive to people whose skills are scarce. Retention practices will increasingly need to take diversity into account.

Ironically, globalization also means a greater need for specificity in our activities. Because of the ageing population in many countries, succession planning will require increasing attention to cope with large numbers of retiring employees. Training programmes and performance management

systems will need to be skilfully targeted to each organisation's specific goals.

The profession will have to add value in conditions in which many organisations will be competing for the same resources – employees, not employers will be able to “pick and choose”. It is our job to help organisations become the employer of choice.


Managing organisational change due to increasing numbers of mergers, acquisitions and takeovers is already vital – it will be our role to make the associated cultural transformations as smooth as possible.

When all is said and done, all HR professionals are becoming talent managers, change agents, advisers, consultants and facilitators of best practice – the list of roles goes on. We need a broadening range of competencies, beyond accepted core HR skills. We need to prioritize and target our activities, designing them to add even greater value to the organisations in which we work. All of our skills should fit together in a seamless, attractive and effective set, just like the Russian doll.

HR professionals need time to acquire and expand skills. One way to achieve that for example is to make better use of technology on operational transactional HR activities, so that we free up time. Then we can acquire the new knowledge and skills required to enable us to fulfil a bigger role in the

organisational hierarchy. If we want to be taken seriously as strategic partners we have to be able to show senior management that we can make a positive impact upon employers' productivity, revenue and profit. The HR contribution must become more tangible, so that it can be measured and assessed and be seen to add value.

This will take us a long way down the road to becoming true strategic partners.

A photograph of Charles Handy, an elderly man with white hair, wearing a dark suit, white shirt, and a red tie. He is gesturing with his right hand as if speaking. The background is a soft, out-of-focus blue and purple light.

"I see that everybody
is looking for some sort
of meaning to life"

Charles Handy
Social Philosopher
and Best-selling Author

An audience with Charles Handy

Charles Handy

Recognised as one of the world's most influential management thinkers, Charles Handy's books, such as **Age of Unreason**, **The Elephant and the Flea** and **The New Philanthropists** and his recent autobiography **Myself and Other More Important Matters** have sold over one million copies worldwide and have fundamentally altered the way that individuals and organisations view the world of work and beyond.



Figure 1

I see my role as looking at the space beneath the stairs, as represented by Rachel Whiteread's famous piece of concrete art that had pride of place at the British Pavilion in the Venice Biennale two years ago. (Figure 1)

You busy people and your bosses are running up and down those stairs keeping the organisation going, and thank God you do. But one survey I was reading said that the average, forward-looking HR man or woman only looks 1.1 years ahead. Not very far sighted! My job, as I see it, is to look under those stairs for the trends that will affect us all in the future.

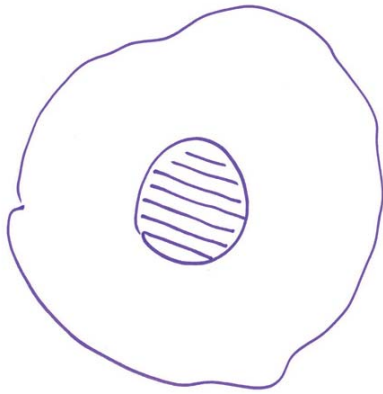


Figure 2
© Charles Handy from "Myself and Other More Important Matters"

Looking under the stairs these days and a little further ahead I am worried. I am worried about business and capitalism. If I could summarise it, rather too easily I suspect, many people outside business don't trust it. Unfortunately, many of those inside don't like it very much either; the organisation that is. That is worrying. If we lose our trust in business, as is happening for instance in the banking sector at the moment, you can see that people are beginning to say business is selfish. Business, they feel, is only interested in getting richer, both corporately and individually and in growth. But we are not here to make as much money as possible; we are here to do our job for society. We have a service to society. I do hope that you see part of your role to be a conscience of the organisation.

In this climate, many people inside organisations are not happy. A survey in the UK revealed that 72% did not like their organisation, even if they liked their job. And 19% were prepared to actively sabotage the organisation.

I believe one of the reasons for this is that people want to make a difference, but are often prevented from doing so especially in large organisations. Finding anybody that actually takes the decision in a big organisation is really quite difficult. You have got to go to this committee and that committee and so on and on. People begin to feel they are part of a processing plant with little room to make

decisions and make a difference. That is not the kind of organisation that is going to be exciting to work in. The temptation indeed to sabotage it would be great.

So actually, the kind of organisations I want are made up of medium to large doughnuts, or group doughnuts. I call this my "doughnut principle", which I believe is the secret of all good work. That is the English doughnut with jam in the middle. The jam represents what has to be done in any job by an individual or by a group and the ring around the outside is the limit of your authorities. But in between in that space is your area for discretion, your room to make a difference. (Figure 2)

When aged 27 I was sent to Borneo, to be head of Shell's marketing company in that country. With no telephone line to regional head office Singapore, let alone e-mail, fax and such like, how free I was. I made many mistakes, but the thing is that I could correct my mistakes before anybody noticed them. So I learnt one hell of a lot and they didn't have to teach me anything in the training course. So I think they got it right.

Trust is vital in an organisation. I don't think you get trust without breaking it down into relatively small doughnuts. Which is why increasingly successful organisations are collections of doughnuts; and you allow people a lot of discretion. I don't know why we are so obsessed with tidy organisations. I know



Figure 3
© Elizabeth Handy from "The New Alchemists"

it looks neat, but sometimes efficiency and tidiness gets in the way of creativity. I think one of the dangers of being too efficient is to become the enemy of effectiveness, the enemy of creativity; you squeeze out the room to make a difference. So do be careful. The trouble is technology should enable us, but so often it imprisons us.

The other thing that is happening is that the elephants are losing their fleas. In my book called "The Elephant and the Flea" I explained that organisations these days, are surrounded by a lot of little organisations, often individuals calling themselves an organisation contracted to provide services and advice of one sort or another. The temptation for the individual frustrated by his/her lack of discretion is to leave the organisation to become a flea riding on the back of the organisation that they were once inside. I discovered the other day that the just opened Terminal 5 at British Airways and BAA had 20,000 partner organisations involved. Perhaps that is why it doesn't work quite so well. The management of the fleas becomes very important because often these are the creative bits on the edges of the organisation. Your best creative people can be tempted away from you if you are not careful.

The kinds of people you need in your organisations are alchemists like the now deceased Michael Young (figure 3), the people who create an organisation out of nothing. Whenever Michael met

a problem in society he created an organisation to solve it. He created 49 organisations in his time, including the forerunner of the Open University in the UK. He had his last child at 82 and he was still creating organisations as well as babies. So don't write off people just because they are getting over 50, and joining the American Association For Retired Persons, as that is the sort of person you need to keep.

Making a difference is terribly important for everybody believing they have talent, which in fact is just about everybody. We can perhaps learn about creating environments that allow everyone's talent to flourish by looking at the theatre world.

When you next go to the theatre, pick up the programme, for instance, and who are the people with the big names? They are not the manager, but the actors. The people in front of the customers. They are the people who matter. So who are the people in front of the customers in your organisations?

If I talk to a director of a television company I say, "Why do you put all those names up, they go on forever, wasting precious time." He says, "If I get the spelling wrong, I get a very angry mother on the phone. They look for their names, you don't. They want to sign their work. They want to say I was part of this." How many people in your organisation sign their work?



Figure 4
© Elizabeth Handy from "The New Alchemists"

More importantly than anything else, as I look beneath the stairs, I see that everybody is looking for some sort of meaning to life. In her photography my wife Elizabeth Handy expresses this by what she calls her joiner technique. She stands in one place and then gets her subject to stand in a different place in the room doing different things to exhibit the different roles they have in life.

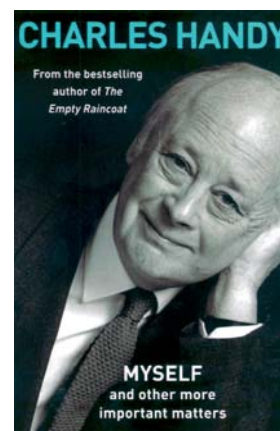
This is a portrait of John MacLaren (Figure 4), who is also featured in our book, "The New Altruist". As you can see he is a very creative musician. John basically was an investment banker with Deutsche Morgan Grenfell in London and he chose to portray that role in a dark suit standing with his back to us at the back of the room. Then in front of him is John as the pianist. He created an exciting worldwide music competition for classical composers, which is why he is in our book, but he chose in the photograph to position himself in front of the camera in another role, John as author. What he really loves doing is writing thrillers, which have become bestsellers. Now, five years later, John is a full-time writer and film producer. He is no longer with Deutsche Morgan Grenfell.

So how well do you know your people and their different roles and aspirations? If you don't allow them to express themselves, they will find a way and it may not be with you. We are all individuals, we are all at least three individuals; it may be four or it may be five. Which are you?


I also believe organisations are far too obsessed with growth. Growth sounds fantastic, but it doesn't necessarily mean better. One concept suggested by a participant in a course my wife and I ran in the Drucker School in California is that of a bonsai organisation; bonsai trees, they need to be shaped and pruned and be given a lot of attention, but once they have reached the proper size, they don't grow bigger. If I go to the London Symphony Orchestra and ask what their plans for growth next year are they won't tell me that they intend to hire twice as many violinists. They will talk about enlarging their repertoire, perhaps visiting new countries, enlarging their audience, but the same number of people. The same with theatre companies, the same with schools, universities. If you get too big, you lose something. Why are we so obsessed with businesses growing? I don't know. Bonsai organisations seem to be interesting – in such an organisation you can get to know people well enough to trust them, and give them room to experiment.

So, I say to myself what is it all about really? As I look under the stairs, I do see increasingly that we are looking for meaning in life. As I reflected on this in my own book, I found myself in the end going back to that old master, Aristotle. He had an irritating habit of having understood all of our problems many years ago. But Aristotle said the secrets of good life is Eudemonia. A rather big word. This is translated by almost everybody as

happiness and interpreted as lying on a beach with a beautiful male or female and a bottle of good wine, but that is not what Aristotle meant, not at all. The real translation is a much more positive thing. I call it doing your best with what you are best at; using your talents to the full. Doing your best with what you are best at for the good of others is the secret for a good life. I think that should be the aim of everybody interested in developing other human beings, your children, your workforce or your colleagues. Find out what they are best at and then give them the space to do their best, for the good of others. Actually, to be honest, I think you can apply that to organisations. Doing their best at what they are best at, for the good of others, not just trying to get richer. In the end, that's what organisations can offer; a real chance for everybody to experience Eudemonia and if they can, I promise you everybody will benefit, even the shareholders. They come at the end, but they will benefit most as well.



Both of Charles Handy's books can be ordered in paperback in the UK from www.amazon.co.uk and "Myself and Other More Important Matters" in hardback in the US from www.amazon.com by simply typing "Charles Handy" in the search engine.



“HR functions have to be upgraded beyond being administrators and beyond being service providers so that they can bring the organization a true decision science of talent”

John Boudreau
Professor and Research Director at the University of Southern California’s Marshall School of Business and Center for Effective Organizations

Talent leadership means going beyond HR

John Boudreau

Leaders are often unprofessional when they make decisions about talent. When it comes to making decisions about money, managers tackle the problems with rigour. When it comes to marketing or production, managers are expected to know their stuff. But when it comes to managing people, just about anything goes.

Ask a leader about how to motivate employees and they'll happily give their own pet theory. It's common to hear, "You motivate employees by linking rewards to outcomes." Well, that's not totally wrong. If they were taking an undergraduate course on motivation they might scrape by with a passing grade. But it is only part of the answer; research has shown there are many elements of motivation. It's a bit like someone saying, "I think cash flow is the same as revenue." This again is not totally wrong because revenue is a key part of cash flow. But if a manager only looked at this one factor they wouldn't be a manager very long.

Talent Lessons from Finance & Supply Chain Management

Finance is what we call a decision science. There are established concepts, frameworks and methods and managers are trained to use them. Managers know what cash flow is and they are held accountable for making sound decisions about money.

Supply chain management is also a decision science. When managers make decisions about inventory it cannot be on the basis of "I like to have a lot of inventory because it means I'm never out of stock" or "I don't like inventory because it means I have to have a big warehouse." Decisions about inventory levels are made using some widely accepted, well-known frameworks. These frameworks are taught in business school and if you need to know more there is a whole discipline of supply chain management to refer to.

Managers are required to use sound decision models in setting inventory levels, but they are not held accountable for using decision models when it comes to motivating people, using training, managing teams or giving feedback. There is no good reason for this. We have a good deal of first-rate research on all these issues. Given that talent is one of an organization's most important resources this lax attitude will have to change.

Talent lessons from production

One of the key concepts in production is that you don't maximize throughput by trying to make all the machines run faster. You also don't maximize throughput by making the biggest, most expensive machine run faster. Instead, you look at the whole system and find the bottleneck. This is just one of many sound decision models that production has developed and it's a model that has a close parallel in HR.

If you want to improve the output by investing in talent you shouldn't spread your investment equally across all jobs, nor even invest in the most important jobs. You should invest at the bottleneck. In the decision science of HR the conceptual equivalent of the bottleneck is pivotal talent. Pivotal talent refers to those jobs where an investment in talent will have the biggest impact on the execution of strategy. You find pivotal talent the same way you find a production bottleneck, you analyse the system.

For aerospace companies like Airbus and Boeing, it may at first seem most pivotal to maximize the technical capability of their aircraft engineers. Traditionally, this has been pivotal because the production model was to develop precise specifications that were then handed off to suppliers who fabricated them. In the book, "Beyond HR", we illustrate that with the advent of the Airbus A380 and the Boeing 787, a new pivotal engineering competency is the ability to facilitate and motivate global teams of suppliers to provide creative solutions, not just fabricated parts, to meet the demands of flexibility and speed.

Optimize, Not Simply Maximize

One common feature of the decision frameworks we see in finance, supply chain management, production and marketing is an emphasis on optimization not maximization. Managers can't get away with maximizing inventory or maximizing

advertising. They are expected to optimize the investment.

But when it comes to talent we find leaders trying to increase engagement everywhere, working to create development plans for each employee, and encouraging all employees to be better team players. The emphasis in all these cases is maximization; it doesn't recognize that, for example, at a certain point investing to get more engagement just isn't going to provide a return. Even trying to get everyone try to increase performance is not the best approach. The best approach is to increase the performance in pivotal jobs. That's how a leader will get the best return for their investment in talent.

Going beyond HR

The work of HR departments begins with compliance and administration. This is not glamorous work, but it is essential and it isn't going to go away. The next phase for HR was providing services – great training, great recruitment, great benefit programs. That's also valuable work, and HR will continue to provide services. But there is still a level missing, and that is the level of building rigorous talent decision frameworks and ensuring that leaders are accountable for using them.

As we show in "Investing in People", HR should also provide decision frameworks just as finance does. But who is responsible for the workforce in your

organization? Is it exclusively HR? I hope not. When it comes to managing talent, organizations need to go beyond HR and ensure managers approach decisions about talent with the same rigour as when they make decisions about money, technology, customers and other vital resources.

At the Center for Effective Organizations we have done surveys of leaders. These surveys show a high correlation between HR being strategic and managers using decision frameworks to make decisions about talent. It's evidence that when the managers take talent seriously, then HR can have a strategic impact. These are the organizations that are effectively competing for and with talent.

Toyota demonstrated the payoff of getting very rigorous about the use of decision frameworks in production. They achieved better quality and productivity than the other manufacturers. MBNA demonstrated the payoff of being rigorous in market segmentation in the credit card industry. They had far lower default rates because they focused on high-quality clients. Organizations have an opportunity to outstrip the competition by being rigorous in applying decision frameworks to how they invest in talent. These frameworks exist, but to bring them to the organization the HR functions have to be upgraded beyond being administrators and beyond being service providers so that they can bring the organization a true decision science of talent.

Recommended Reading:

John W. Boudreau and Peter M. Ramstad. *Beyond HR: The New Science of Human Capital*. Harvard Business School Publishing. 2007.

Wayne F. Cascio and John W. Boudreau. *Investing in People: Financial Impact of Human Resource Initiatives*. Pearson. 2007.



“Change is inevitable,
but progress is not”

Max McKeown
Leadership, Strategy and
Innovation Consultant

Killer cultures: from indifference to making a difference

Max McKeown

Let us share my definition of a “killer culture”. It’s a culture that joyously renews itself, you don’t have to force that kind of culture to do something, you don’t have to force things to change, they want to change, the issue is getting out of their way and allowing the people that comprise this culture to make a difference and build competitive advantage. In my experience if people don’t care they don’t pay enough attention to the things that they need to do in order to create something new.

Fixed horizons

Contrary to many companies’ plan-orientated culture we have a situation where we are dealing with a world in which the future is unknowable, and the world is so complex that we will never, ever understand it all. The thought that we would possibly understand it is misplaced. If you study the brain, it appears our brains on their own are so complicated that we will never understand them and anybody in a long-term relationship knows that it’s impossible to understand another person perfectly ... that’s just one other person, let alone understand a whole organisation, and your industry, and your competitors, and anything else that might happen. So I think that the search for perfect understanding or perfect plans is largely futile, and as a result perhaps we need to alter some of the principles by which we lead and manage.

Disconnected organizations

There’s a disconnect between policies, strategies and plans created by organizations and the people so often tasked with carrying them out. What would happen if you put everything, every product you sell, every service you provide, every policy that you have written, up on hotornot.com and allowed the people who work for you to vote? What would happen then to the organisation? And if you think that that is a radical idea ... one I would suggest, by the way, you definitely do, you would see some very good results.

Who judges whether a policy in your organisation is hot or not? Not you, you’re bound to say your policy is good. Who suffers as a result of your policies? Not you, other people suffer, but they don’t necessarily tell you. You may have heard that Lonely Planet, the tourist guides, have recently had to admit that they don’t actually send all their editors to the places to visit, they just ask their friends and families and check on the websites what is happening in a particular country ... the Colombia guide is one of those. If you don’t go to the place, you don’t know. If you don’t go and see your policies in place, you don’t know. And if you don’t go to where people use your products and services, how do you know how they use them? How do you know if they’re satisfied or not? Some people hide from that and some people actively collect it.

Big organizations can learn from small organizations – where people have room to make a difference

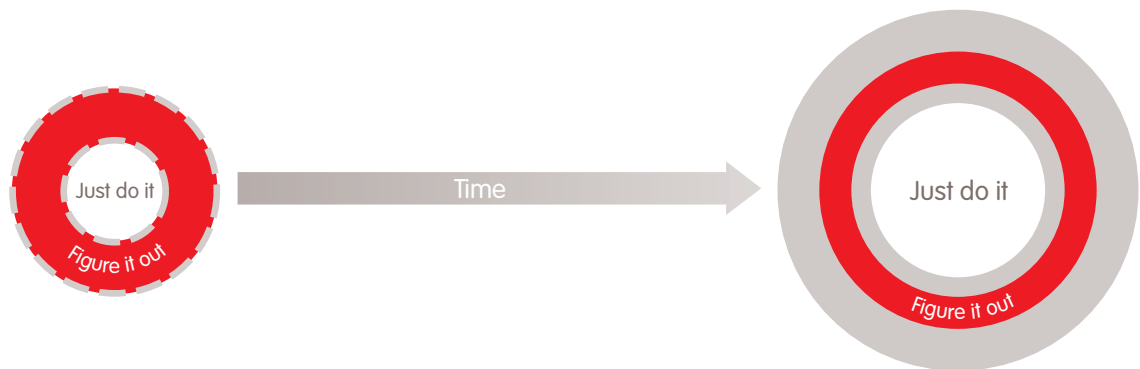


Figure 1

Focus on Progress not Change

Change is inevitable, but progress is not. Change is easy. I mean – we are going to change anyway, aren't we? Some of you might remember the first time you had a filling, or the first time you lost a tooth ... the feeling of mortality suddenly upon you, you realised, yes, I am going to die. Change is inevitable, but progress is not. Change is just like decay. Change is good or bad. Progress is what we want, isn't it? More happiness, like Bhutan, that now has a gross domestic happiness measure; it doesn't measure how big the economy is or how much it has grown, it worries about whether its people are happy. Well, there is a common sense notion! I think that a lot of leaders or managers could do a lot of good by doing almost nothing. Go home and don't try and change consultants, don't change the policies, just sit there, be happy, and you will do no harm.

Don't let big get in the way of better

In a small company if you are hired you are listened to because there aren't that many people and there's not that much distance from two things ... you and the top and you and the outside world; so if you suggest something, maybe you will get your chance for it to come out into the outside world, and that's terrifically motivating. We want to contribute to our world; we want to make that difference. CMG Logica is a good example; up until recently the finance director of this big, multimillion-pound company was their original

secretary, and that is not uncommon. You start at one level and you grow with the company ... so terrific, lots of room. (Figure 1)

Over time, things get bigger, and what happens is we have more and more people hired and just told to get on with it, just do it. The likelihood of an idea in the middle of a 60,000-person organisation actually getting out into the marketplace is very close to zero. And yet who are the people who do the job? Who are the people who talk to the customers? Who are the people that make things happen? They're the very people in the centre of your organisation kept away from the decision-making, but bizarrely, if you reverse this, the people who are most in touch with customers. And yet most adaptation for an organisation has to take place here, it has to take place at the edge of the organisation. The people working with customers and making the products have the insights that lead to the ideas and, if they're not stopped by obstructive leadership, that can ultimately lead to market changing innovation.

In large organisations people are taught that it is better to keep the rules than to be human, better to keep the rules than to do the right thing. So instead of helping me by providing information about an Air France flight, the Lufthansa guy asks why he should help a competitor. This takes away from your performance and your results, profits, growth and innovation. It's happening despite this huge amount of "best practice" in all our organisations.

Breaking the rules, or having less of them can be good. Honda put in charge of their new diesel an engineer who hated diesels, and he said, "I will only be put in charge of this if you allow me to break all the rules and do it in my way." He ended up putting together 100 patents for one engine and revolutionising the diesel business. So we can use differences in what we hate in organisations. Instead of viewing our company as 10,000 people who have to do what they're told, view it as 10,000 people who can hatch trends, use their particularities and their hates and loves to bring us new products and services.

Cultures Make THE Difference

The difference between organisations is very, very small, like the difference in genetics ... very, very small indeed. We can hire the same people from the same universities; the same schools, with the same chairs, the same offices, selling largely the same products, and then have these hugely different results.



Figure 2: Freedom and purpose are key elements of successful "killer cultures".

It's how organisations are organised that makes the difference. Think of organisations as a large brain. You don't just have one area of the brain responsible for one function, many areas of the brain are responsible for that same function; they share. Marketing cannot do anything on its own, neither can HR and so on and so forth, they have to be brought into one room and start speaking a similar language and translate for each other.

Most organisations are not exercising their brain's potential. In company suggestion schemes, typically you will find that it's almost never above half a suggestion per person in an organisation. But in some companies things are different. In one US Toyota site, in one year, there were 80,000 suggestions, 90% of which were implemented by the end of the next year. That's why they're the biggest car company in the world and that is why they make USD2,000 per car in the States, and GM loses USD2,000 per car in the States.

And this stuff goes deep ... contrasting again GM and Toyota ... Toyota has the system of cords on their conveyor belts. Anybody on the conveyor belt, however low-paid, lowly they are, has authority to stop the conveyor belt, leading to lots of costs in stopping them. And GM has copied the cord ... in the Toyota plant the cord is pulled hundreds of times a day; at the GM plant that uses the cord, they are pulled twice a day. That's all cultural – if I pull this cord at GM I will get blamed and there will

be an argument between the unions and the managers about whose fault it was that we just lost all that money. At the Toyota plant you pull the cord and you're applauded for increasing the quality in the organisation.

So really the difference is cultural, and again and again we see that if a technology or a process or a best practice is brought into an organisation without the accompanying principles, it just doesn't work, it's just a waste of time.

Organisations are 99% the same, all of them ... 1% makes the real difference.

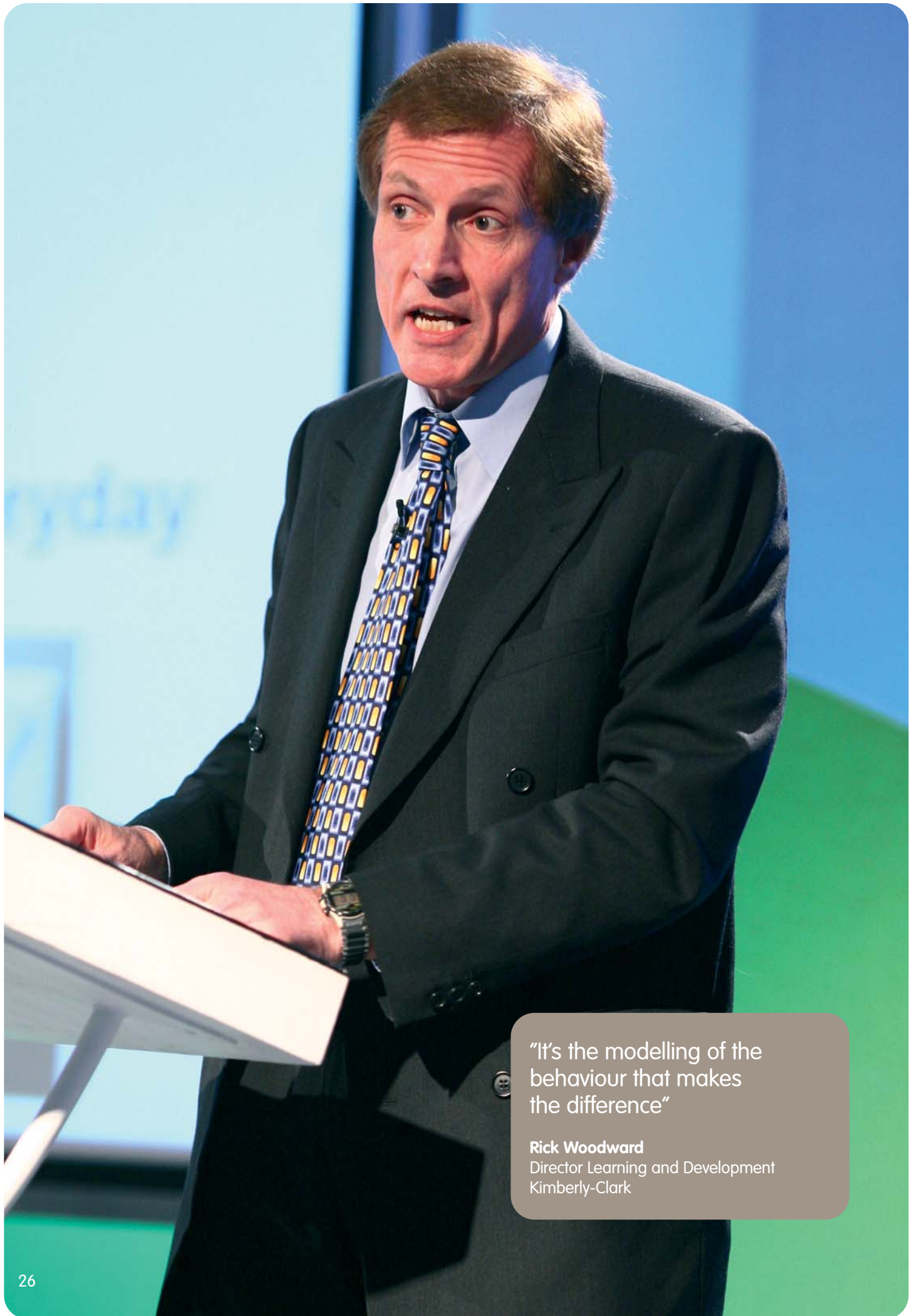
Interestingly, if we have a recession coming, prevailing wisdom says you need to 'cut'. But instead of cutting people, cut the rules that stop the people contributing, then you release them. Toyota always over-employ, and they will be increasing their employment during any recession!

You need to create slack in your organisation, room to innovate, room to perform. Slack is not the same as having slackers in your organisation, although it may include it; it's about allowing the room. If your people are overworked they will not be creative; if they have deadlines, strict deadlines, lots of stress, they will not be more creative, even if they think that they are, even if you think that they're going to be. So you need to work smarter, obedience is really over rated.

Google create a kind of slack by giving people one day a week to work on any project that they would like. Camper – they're the shoe company in Spain – have an idea to ensure that everybody can contribute to the organisation, by giving every generation a challenge. Normally the way it works is that before you can do anything in any organisation you have to get near the top. Not so at Camper. They challenge the 20-somethings to come up with a new product, the 30-somethings to come up with a new product, and so forth ... so the first generation did one kind of shoe, the second one a peasant shoe, a very different design, now the third generation is doing restaurants as a complete break. Every generation in the company should be able to come up with a product or service and attempt to make a difference. (Figure 2)

With all these elements of culture – and we could talk about a lot more – they come from a belief that individuals can do remarkable things and an acceptance that complexity cannot be controlled. You'll never understand the whole world, you'll never even understand yourself fully, and you'll never understand the whole of your organisation. So by letting go you increase the amount of dramatic experimentation and innovation – just remember that you need a killer culture, it's all about freedom and purpose.

Max McKeown is an author of six books to date and the soon to be published "The Truth About Innovation", due out in July, published by Pearson/Financial Times. www.thetruthaboutinnovation.com



"It's the modelling of the behaviour that makes the difference"

Rick Woodward
Director Learning and Development
Kimberly-Clark

Measuring the impact of coaching

Rick Woodward

In the March edition of People Management a survey of learning and development professionals showed that 72% believed that coaching makes a business impact but only 8% of them bothered to measure it. Measurement of outcomes is an important validation of investments in coaching. The independent study that we conducted in Kimberly-Clark reveals rock hard, certain statistics of the positive link between coaching and business effectiveness. Our study could be used as useful benchmarking data for other organisations.

First, a little about Kimberly-Clark. We are a leading global health and hygiene company employing more than 55,000 people worldwide and posting sales around USD17 billion. Headquartered in Dallas, Texas, with operations in 37 countries, Kimberly-Clark's global brands are sold in more than 150 countries. Every day, 1.3 billion people trust Kimberly-Clark products and the solutions they provide to make their lives better. With well-known family care and personal care brands such as Kleenex, Scott, Andrex, Huggies, Pull-Ups, Kotex, Poise and Depend, we hold the No. 1 or No. 2 share position globally in more than 80 countries.

Led by our Chairman and CEO, Tom Falk, our organisation three years ago launched a long-term global business plan, including a new performance management process. The performance management process was introduced in 16 languages and it's a real 21st-century process

with 360 feedback, quarterly discussions every year between team leaders and members and is based around six leadership qualities rather than the thirty we previously had.

Coaching supports business strategy

I realised that when this process was introduced we really did need some coaching support to go with it, so starting in Europe then moving to the USA then Latin American and eventually even as far away as Korea, we launched a very simple one-day coaching skills programme. The Coaching For Performance programme, based upon the GROW model, was organised worldwide by a UK group called Performance Associates. All of their trainers had experience of professional sports coaching.

The programme was absolutely engaging because within half an hour of arriving participants were given three juggling balls, partnered up with somebody and told to teach them how to juggle. One of the challenges of coaching that everybody faces is actually coaching people to do things that you can't do yourselves. This exercise proved you could still be an effective coach without specific technical skill, if you learned to ask the right questions. Coaching people to try things out and then amazingly watching them improve in front of your eyes and start to juggle these balls was ... well it was certainly a seriously changing experience. That is the basic message of the course, namely "Ask, don't tell".

To dig deeper into the value of our coaching we tasked an independent consultant, Peggy Parskey, an expert in workplace measurement, to undertake a study. She surveyed 224 of our team leaders and 202 of our team members who were coached. We had a 70% response rate incidentally. She then drilled in on 30 team leaders – some who were very pro the programme and some who weren't.

Significantly, 83% of people who were coached regularly said, "My job expectations are clearer", against only 25% of people who weren't coached. It was very much the same for confidence: 83% of people who were coached regularly said, "Yes I'm much more confident in my job" against a mere 10% who weren't. The results showed a staggering difference between the people who were being coached regularly in terms of their effectiveness, productivity, alignment with goals and performance against those who weren't.

So then Peggy turned to the team leaders. The results – averaged out – were that team leaders felt "My productivity in general is 35% better" and "Retention is 31% better as a result of my coaching". When asked how much they attributed to the coaching training though, their estimate was that about 10% was attributable to the coaching training. So I think that's what you generally find. These people were keen on coaching, they were doing the coaching, and they were seeing the results of the coaching. Some of that was about the training

they'd received; some of it was that they were doing a good job of day-to-day coaching. (Figure 1, page 31)

Business benefits

Only by drilling down further with the team leader interviews did we get a true appreciation of the business benefits. For example one team leader said:

"What happened was that I had a team and I adopted a new coaching approach, tried to empower them and they came back to me – this was in one of our manufacturing mills – and they said, you know we were going to replace that part on that one machine, well actually I think we could repair it and if we do, we're going to save about USD2,800."

In the greater scheme of things it isn't a lot of money, but it all adds up if it's going on in every single work team.

Another example, from a non-manufacturing environment:

"We were putting on a trade show, we put it together in two months because everybody felt empowered, they got on with the job and our customers said, we've never seen anything like this, it normally takes four months to put a show together."

For another example, one manager said:
 “We set ourselves a savings target of USD4 million and we actually made a saving of USD7 million.”

So there are some hard benefits there, as well as team leaders linking coaching to performance improvement:

“I coached a deputy about her interpersonal skills. That improved what she was doing internally but the interesting thing was she formed a much better relationship with a vendor. Then we discovered that the vendor was actually doing something that wasn’t right and as a result of this and our better relationship with them they volunteered to give us back USD30,000 because of deficient work.”

Team leaders mentioned other benefits from coaching:

“Coaching has made me more confident as a team leader. I am learning to listen instead of talking, I now coach everyday and my employees are more engaged.”

Leaders must model behaviour

Another key finding of our study is that when a senior leader reinforces coaching it has four times more impact. When Peggy Parskey looked at the data, she found that whereas 25% of people who were regularly coached by their managers reported a 20% increase in productivity, only 4% of people who weren’t being coached by their boss, reported a similar increase. Similarly, 17% of people reporting a change in quality were being coached on a regular basis by their own boss, but only 2% of those who weren’t being coached saw a similar increase.

The overall message is “coach your people”. The effect throughout the organisation is going to be dramatic.

It was very encouraging that 92% of our people said that coaching is of a high priority. It is fairly encouraging that 51% said team leaders reinforce our coaching efforts, but disappointing that only 29% said that senior leaders actually modelled coaching behaviour. It was also disappointing, having invested quite a lot of money in a global coaching website, to discover that only 27% of programme attendees had used its tools. So the learning here is invest in the people, don’t invest in the websites! (Figure 2, page 31)

It's the modelling of the behaviour that makes the difference. We are fortunate that in Kimberly-Clark our Chairman and CEO, Tom Falk, is a strong advocate of coaching and articulates its value regularly. Tom never misses the opportunity to explain the link between business benefit and coaching. When he's with the senior leaders he often says to them, "Take your coaching seriously, it's your responsibility as senior leaders." He also includes coaching reminders in employee communications; and he cascades an annual objective to all team leaders with a coaching component. In a recent video to all employees about the new Performance Management process, he said:

"Basically I'm asking every one of us to change the way we interact with our boss. I'm asking team leaders to change the way they interact with the people they manage. I know changing behaviour takes time and it takes effort, but I'm confident that when we make these changes we will see great results. Thank you."

Coaching is a journey, not a destination

In summary, our experience is that coaching is a journey, not a destination. You never "get there"; you never get the perfect organisation. It's an ongoing journey. So we're continuing with our coaching training. We're actually launching a programme called Helping Others Succeed that is designed to help managers fine-tune their

coaching. With our health care sales professionals we're encouraging team leaders to coach to improve performance. And in one of our customer sales groups we have taken the whole team, team leaders and team members through coaching. It is making a big impact.

In summary, I believe that coaching does have a measurable business impact. It is worth repeating that coaching is four times more effective when it's reinforced by senior leaders, so if you can get them on board you really are on the way to success. Coaching is a key link to improved employee engagement and happier, more effective and productive organisations.

Coaching training positively impacted business results

Team leaders reported significant business improvements from their coaching.

They estimate that the training accounts for 10% of the business results attained.

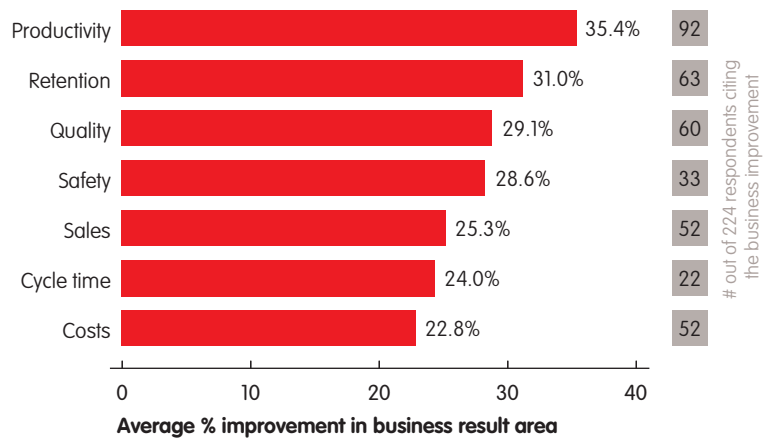


Figure 1

Coaching has four times more impact when reinforced by the leader's manager

Business improvements were **four times** more likely when the leader's manager mentored and supported coaching efforts.

For example, 25% of mentored team leaders reported a 20% increase in productivity against only 4% of those who were not mentored.

"Before I talked to people every day. Now I coach people every day. Employees are more engaged. I literally saw the walls break down." (Team leader interview)

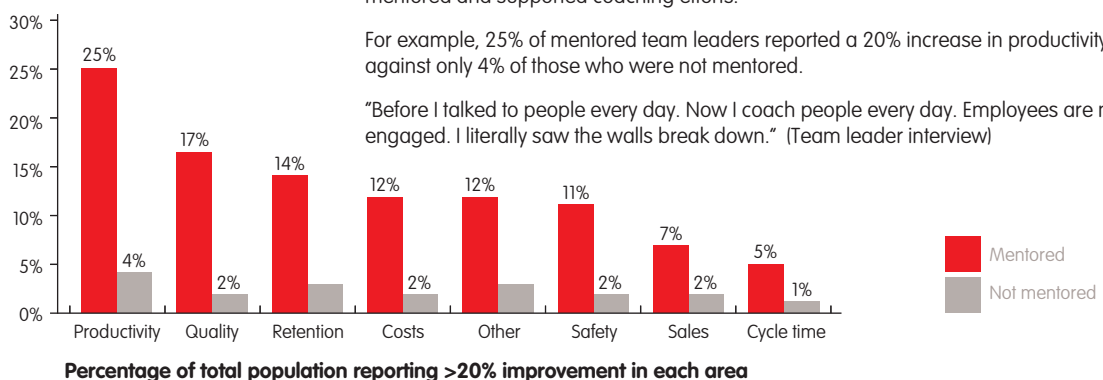


Figure 2



“It touches the human soul and gives people hope, or optimism by another name”

Tim Smit
Chief Executive and
Co-Founder of the Eden Project

Bringing creativity and innovation to life

Tim Smit

I have never had a proper job, in that I have never worked for anybody else. This has been both a problem and a blessing on having to set up a new organisation from scratch without a normal management roadmap on the one hand, but free of the baggage of any past corporate experience. I have been part of the extraordinary story of the Eden Project that today employs around 500 people. Once we had reached these heady numbers my Chairman took me to one side and suggested that it was inappropriate to run an organisation of this size as if it was a gang and that the absence of certain tried and tested processes would leave Eden vulnerable. We didn't even have KPIs, an almost criminally negligent position coming from his world. In truth, our People Development Team had far more going on under the surface than at first appeared obvious, and while our language was different and our employment and induction practices were a little unorthodox we were nevertheless managing a significant number of people to face up to 10,000 visitors a day like a well oiled machine! A compromise position was adopted and the guiding principles for the senior management team were embodied in a contract appendix called "the Monkey Business". This, in essence, captured the spirit and attitude by which we strove to keep ourselves fresh and free from the silo behaviour common to big organisations which prevents cross- and multi-disciplinary working. It was amusing that our approach would soon draw the interest of several major corporates

such as the senior management teams from Unilever, the BBC, BT and others, to our table! The Chairman then said, this is ridiculous, we are turning into management gurus when we are supposed to be running an environmental centre ... so don't do much more of this!

To give you a little background. The Eden Project is in St Austell, Cornwall, Southwest England. Eden began as a dream in 1995 and opened its doors to the public in 2000. Since then more than nine and a half million visitors have seen what was once a sterile clay quarry turned into a cradle of life, containing world-class horticulture and startling architecture, symbolic of the optimistic power of human endeavour. The Eden Project alone has created nearly a billion pounds of new wealth in the local economy, which is more than the entire European budget for the whole of the Southwest over the same period. We have developed a local supply chain of 2,400 suppliers. We have a waste management process called "Waste Neutral" which other people copy. But let me share more about our unusual management style, which has evolved from the domestic principles of the kitchen table rather than a Business School, reflecting our desire to underline the Eden message which is that we are "ordinary people, trying to change the world". Most of what others regard as unusual about us is simply a desire to capture the spirit of a small group of collaborators and make it work on a bigger stage.



The Eden Project in St Austell, Cornwall, Southwest England

Culturally, the most important thing in any organisation is that you get people who are the right people for you. Eden people. So, to ensure that team members are comfortable in a relaxed working environment where communication skills are vital the interview will encourage the candidate to tell a story, a joke, or even sing a song to demonstrate their attitude. A stiff, regimented personality just will not fit and it saves us much future unhappiness establishing this at the start.

Everyone who has ever started their own business will tell you the same thing. To build a successful team you must demonstrate that you are willing and able to do the nastiest jobs yourself before you ask other people to do them. So, for example, at The Lost Gardens of Heligan (my other project) when the toilets overflowed for the first time, I volunteered to put my arm down the U bend and fish out a dirty nappy that was causing an obstruction. After that, everybody else would do it if necessary, knowing that I would! Leading by example is absolutely vital. At Eden we instigated "Tricky Days". 12 days a year, no matter how senior you are, if you are not visitor-facing you must work in a visitor-facing role (this covers about 80 people). The job you are given is a lottery, you could be toilet cleaning, working the car park, in short – anything that needs doing. I have been a washer-upper, waited tables, cleaned toilets and so on. It is crucial that senior people know all that the jobs entail and learn humility and respect for their colleagues in jobs that are perhaps less glamorous, but nonetheless important, as their own.

It is the little things that make a working life either fun or unbearable. Being unable to change things that are obviously stupid can drive you crazy. Senior people working in wash up will not put up with the air-conditioning not working, or the wheels of the serving trolleys not going round properly. For instance, when I had to run one of our ice cream kiosks, I went crazy because the ice cream arrived too cold and so your wrists were in agony digging out the scoops, or the tap needed to fill the bucket that cleaned the scoops was too low on the wall and so you couldn't fit the bucket under it – you go mad – but I can make a call and it is fixed immediately and so work becomes pleasant. To truly understand what your front line troops have to put up with and giving them the power to change things to make their jobs easier or more efficient, is a crucial part of good management. Tricky Days ensure we remain human and less senior people are not afraid of raising the little things. It is the opposite of many cultures based upon employees feeling compelled to tell the person above them that everything is right below them.

I spoke earlier about the Monkey Business. This covers the 70 senior managers. We wanted it to be for all staff but actually instilling programmes like this is quite difficult in an organisation that is visitor-facing every day. The Monkey Business is broadly a set of "rules" that encourage us to remain interested in the wider world and not to put on blinkers that narrow our vision. It is also worth remembering that the motto on our staff handbook

is the famous phrase by Edmund Burke, “Rules are for the guidance of the wise and the enslavement of the stupid.”

Firstly; you are not allowed to start work unless you say good morning to 20 people (except if you are working on the night shift!). It doesn't have to be 20 people – like some sort of ridiculous cult – the rule is just about the principle of saying good morning. We don't want people to start work before taking some social time with colleagues first. Most communication across teams comes from this (horror of horrors, most people don't read circular emails, nor do they write down the most interesting ideas or thoughts they have!).

Rule number two is that each year you have got to read two books that everybody who knows you would say are completely outside of your interest and experience and then review them for your colleagues. Rules number three, four and five are that you have to see one movie, one concert, one piece of theatre, with the same rules as for number two. The principle is simply to ensure you are getting new stimuli, exploring new things.

Rule number six is that you have got to make one speech, once a year to your closest colleagues about why you still feel inspired to work at the Eden Project. If you can't do it you are honour-bound to resign. It concentrates the mind we find!

Rule number seven is probably the most important. Prepare a meal for the 40 people that make it

worth coming to work. We have changed that rule slightly on the grounds that with so many staff we would be out all of the time and now do it collectively, but make sure that once a fortnight we get together for meals by candlelight. You will think this is hippy rubbish. It isn't hippy rubbish. Every single major strategic decision we have taken, every event that we have put on, was thought up by candlelight at night.

People during daylight hours will bring their “work person” to work. They cannot help it. When the sun goes down they give themselves permission to bring the private self to the table and are completed and made a whole person. Their evening contribution is totally different to that of the day and this appears to be enhanced by candlelight. I don't know whether it is some primitive folk memory of fires, being drawn to the fire in some way thousands of years ago, or whether it is just simply that you are drawn towards a flame ... I don't know what it is... but that mist of shadow that you find around a flame brings an intimacy that encourages collaboration. It is deeply significant. The breaking of bread with people is hugely important symbolically.

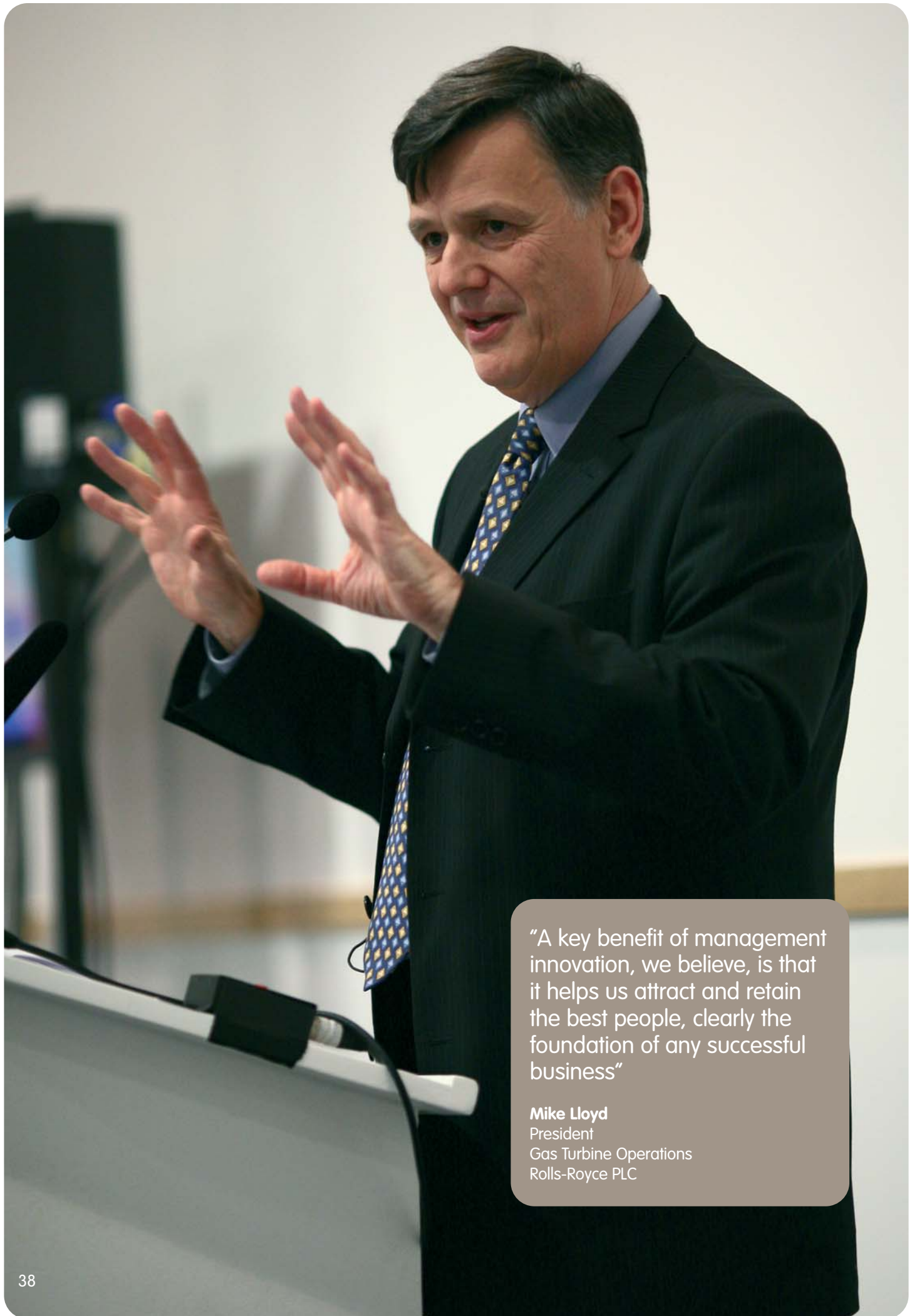
Some more rules... I don't have the comfort of religion and sometimes wish I did but I am deeply, deeply superstitious. I profoundly believe that if you have good fortune and you do not share it with others, you will not only lose it, but it will never return to you if you have proved yourself unworthy of having it in the first place. You may find it a bit

weird but all senior staff have to conduct one act of guerrilla goodwill a year. They must do something really nice for somebody they do not know and that will never know they did it. They must do it motivated simply by their own pleasure in knowing that they did it. That is it. Most people love doing that. Just imagine what a country this would be if everybody did that. It is a really cool thing.

The last thing we do covers all staff. We don't do this as regularly as we would like because of the near impossibility of getting us all together at the same time. It does sound a bit hippy but all staff have to learn to play samba drums in groups. 450 staff are divided into equal groups with ten drum teachers across the whole range of Latin percussion (surdos, cabassas, maraccas, timbales, congos etc.) across the age range. The reason for it is actually quite simple because samba is quite a difficult rhythm to master, because there are a lot of cross beats. Most British people are terribly reserved. Almost every child you ever met between the age of two and six naturally likes to sing and to dance. What happens to us afterwards? Have you seen the British dancing? It is like a nervous disease! After the lessons, the whole team is brought together and the drum teachers take each group, one after the other, into a beat which builds up. The early tension in the air, as people, frightened of going out of time, tense up, is replaced by them becoming increasingly excited as each new layer is added and they realise that to go out of time would be very difficult because they are working as a group, not an individual.

When the last rhythm enters the whole crowd shouts and dances in excitement.

The excitement in the room you could cut with a knife, it is simply incredible. It is amazing and at the end we talk about it together. It is not rocket science. The simple reason we are doing this is for people to experience how much greater and bigger they can feel in a group. It touches the human soul and gives people hope, or optimism by another name. And that is why we do it and that is why we built the Eden Project.



“A key benefit of management innovation, we believe, is that it helps us attract and retain the best people, clearly the foundation of any successful business”

Mike Lloyd
President
Gas Turbine Operations
Rolls-Royce PLC

Management innovation

Mike Lloyd

Rolls-Royce is a name synonymous with tradition and for some conjures up pictures of luxury British cars. That nostalgic view is now well out of date. Today, we generate GBP8 billion a year in sales and are a world-leading provider of power systems and services for use on land, at sea and in the air and operate in four global markets – Civil Aerospace, Defence Aerospace, Marine and Energy. Gas Turbines are core to what we do and in the Operations Sector in which I work we employ 13,500 people worldwide. Half are employed in manufacturing and assembly roles and the remainder being professional engineers and other specialist or management positions. Given the nature of engineering and manufacturing operations, systems, processes and discipline are vital to what we do. Product innovations are introduced after robust research and development and carefully run pilots have been conducted, rather than somebody deciding that it's better to leave that screw out on one of our aircraft engines for instance! That said, we are in a competitive industry and increasingly we are introducing innovation in management as a means to enhance our performance and to encourage employees' discretionary effort. Three examples of management and leadership development innovation that we have applied, each of which I will explain, are: the introduction of Self-Directed Teams; the Gazelephant Conference and the e3 Workshops.

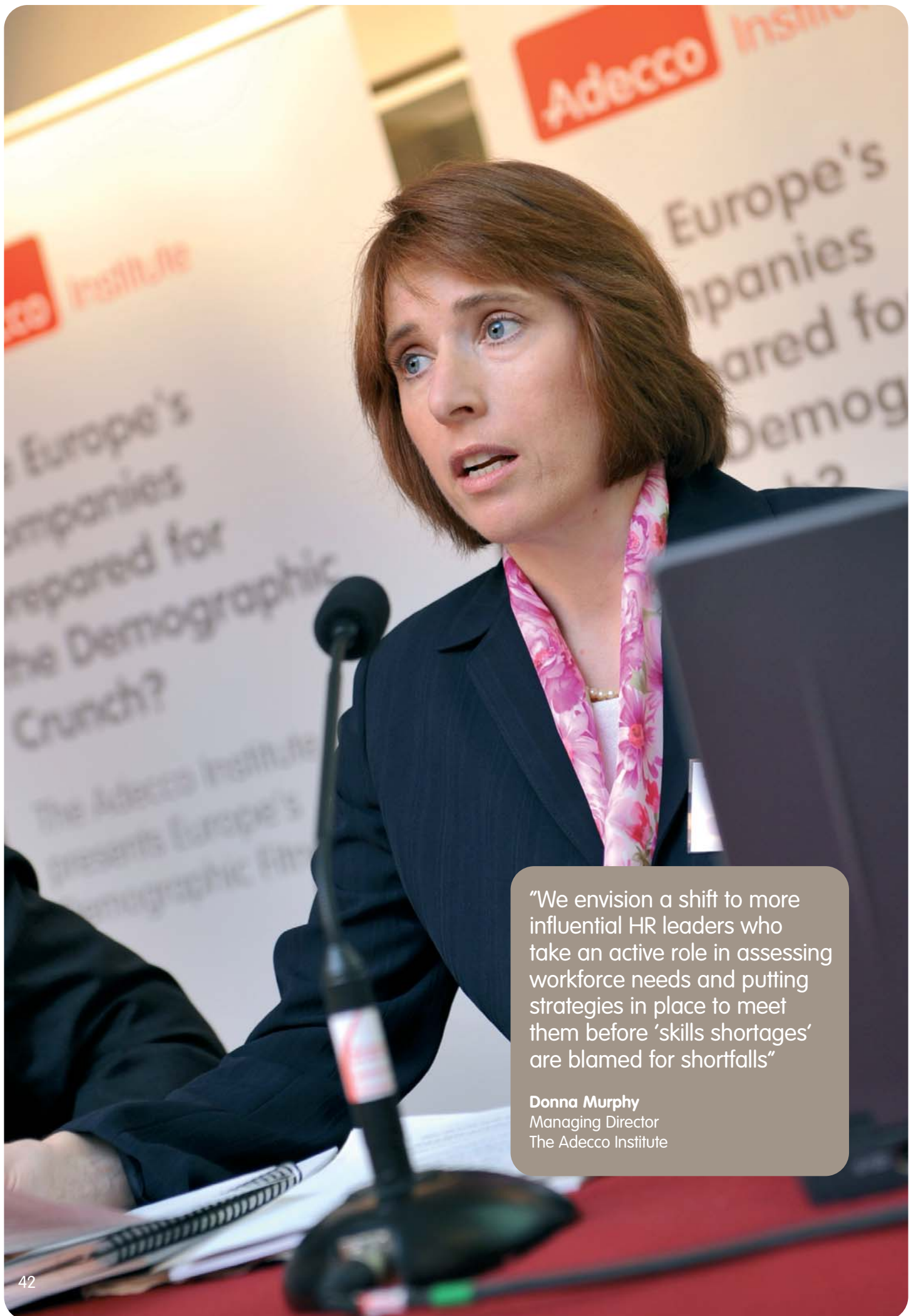
Self-Directed Teams is a concept beyond team working, where you take groups of people in their natural work groups, fundamentally in our case from the shop floor, taking responsibility for the way they run their part of the business. Obviously they work within guidelines and frameworks, but have much more influence on the way they work as a team and have more input into improvements. We have upward of 300 Self-Directed Teams and when they really get together it's magic. Alongside this concept is the introduction of "modern" working practices – these include no fixed hours, no paid overtime, an ability to bring in agency workers and bonus payments related to meeting measurable customer requirements such as the delivery of spare parts. The result is that we have better engagement and commitment from these teams and more flexibility in the way they are prepared to work. This is a big step forward for us as a business, for example in some areas we used to have to wait nine months to introduce a change in shift working patterns. Most of the employees involved are highly skilled artisans, some with up to 40 years experience. The introduction of Self-Directed Teams has encouraged them to apply their discretionary effort and their knowledge and improve the process.

Gazelephant Conferences are an example of management innovation in leadership development that in some respects is still work in progress for us. Ultimately we want to become a more agile and strategically focused business, so we need managers to have a greater mental agility and understanding and ownership of our business strategy. Let me explain the branding of these conferences. Traditionally, one might have seen our business as an elephant – strong, proud, steadfast, paternal – and – slow, huge, moving in a straight line and taking a long time to change direction. A gazelle is fleet of foot, can move quickly and change direction easily – abilities we need in our organisation. The good qualities of both equals Gazelephant! We select high potentials early in their career to attend this event, people who have been with us about five or six years, aiming to try to get them to think a different way. The conference is a three-day event away from work – we use the Energy Clinic in London. It includes a business awareness workshop and then the setting of a strategic project within the business that the attendees have to work on and follow through with in the months ahead, on top of their current roles. It is early days for us to evaluate concrete results of their strategic projects, but what I can say is that we have seen that these people develop significantly in terms of their breadth of business understanding and strategic thinking ability. They become catalysts for growing business awareness amongst employees.

The other innovation we are trialling is the e3 Workshop designed to unleash management innovation. This has been developed in conjunction with the London Business School MLab. The concept recognises that amongst our employees, due to the rigour of our processes and need for metrics, there can be frustration and untapped potential. Any employees in our Executive population can apply to attend an e3 Workshop by submitting an essay on what they would like to change and why. Based upon the logic and innovation of the essay, a small group is selected to a one-week-long workshop. We select a stimulating location – most recently Amsterdam – and organise meetings with different organisations and people with the aim of taking attendees out of their comfort zone. Meeting the manager of an Amsterdam coffee shop is one such example. These experiences are then used to encourage attendees to think differently and challenge current models and methods of management and leadership. Discretionary effort is not given for nothing, you have to create the environment to enable it to flourish. In terms of results, what I can say is that the majority of the people who have participated have gained a lot. You can see the difference in the individual. Will it make a difference to the organisation? We will see.

A key benefit of management innovation, we believe, is that it helps us attract and retain the best people, clearly the foundation of any successful business. At Rolls-Royce we are creating an

environment where the desire to get things done is still there. I cannot be precise about the correlation, but as we have pioneered more management innovation in recent years our business performance has improved. Our share price in March 2003 was 64p but now is nearer GBP4, so there may be some lessons there.



“We envision a shift to more influential HR leaders who take an active role in assessing workforce needs and putting strategies in place to meet them before ‘skills shortages’ are blamed for shortfalls”

Donna Murphy
Managing Director
The Adecco Institute

Talent and the future of HR

Donna Murphy

The Adecco Institute identifies Talent Management – the effective assessment of and planning for a company’s human resource needs – as the single most important focus of HR in the future, directly impacting the competitiveness, productivity and innovation of firms worldwide. Based on interviews with over 5,000 HR executives conducted over the past two years, as well as industry reports and workforce surveys, the Institute concludes that the convergence of globalization, demographic changes in the workforce and skills shortages will move Talent Management to centre-stage. HR professionals should embrace the trend of outsourcing non-core and transactional activities to free up time to meet the challenge of Talent Management.

Forward thinking HR practitioners will start today to analyze the age structure of their workforce, develop a more robust understanding of staffing needs and trends, and develop tools and techniques to ensure that talent is acquired, developed, retained and rewarded in keeping with the demands of the workplace. Adecco Institute research indicates that the average planning horizon of HR professionals today is only 1.1 years. In order to keep abreast of talent demands, HR Professionals need to take a long-term view of their staffing needs, and plan accordingly.

Globalization

Population trends are clear – while the world population will exceed 9 billion by 2050 (an increase of 55% from 2000), the populations of developed countries will remain virtually unchanged (experiencing only 3% growth in the same period). Source: US Census International Database

Companies in developed nations will increasingly go abroad not to displace local workers, but to meet the workforce demands of local business. Enabled by technology, teams will increasingly be comprised of geographically dispersed contributors. HR will hone their global skills as local problems – such as skills development and talent retention – go global, and firms become increasingly dependent on a geographically dispersed pool of skilled workers.

HR practitioners will increasingly rely on knowledge management tools to track the skills, experience, background and interests of their workforce. Research conducted by the Adecco Institute reveals that while 55% of companies maintain standardized records of business critical knowledge, only 30% publish information about “knowledge holders” in an internal directory. HR practitioners need to focus on systems that capture and systematize information on employee skills, qualifications and interests as well as formal and informal feedback on employee performance. Armed with such tools, HR will become an active resource for company executives, who will extend

Percentage of European companies reporting skills shortages

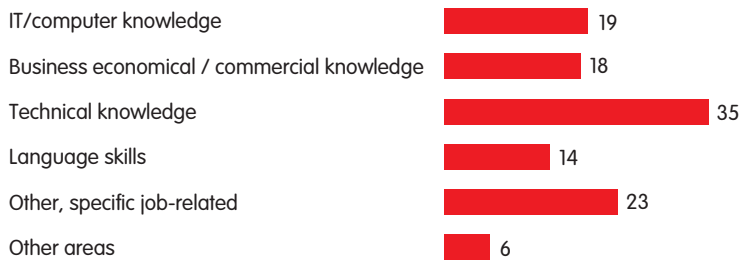


Figure 1

their personal networks with accurate and up-to-date information from HR practitioners.

Demographic changes

Demographic changes in the workforce will necessitate more effective Talent Management to mitigate against an outflow of key skills and resources as workers start to retire en masse. Older workers comprise the fastest growing segment of the workforce, a trend that will continue unabated as workers age and fewer young people line up to replace them. The size of the 65+ cohort is growing in most developed countries, and is set to explode in Japan and Italy. While these countries are on the leading edge of this dramatic change, Germany, the US and even China are facing significant changes in the composition of their workforces.

This reinforces the importance of HR practitioners embracing knowledge management as a means of tracking “who knows what”, and limiting the impact of employee departures on the business. Skills shortages resulting from both demographic changes in the workforce and inadequate pipelines of appropriately skilled workers will further magnify the need for Talent Management. (Figure 1)

We envision a world where analysts ask for as much information about personnel assets as financial assets – and the growth prospects of the firm are based as much on market growth as on a firm’s ability to marshal the human resources necessary to meet growth demands.

Skills shortages

Skill shortages exist when employers experience difficulty in filling vacancies for a given occupation – or, in extreme cases, are unable to fill the vacancies at all.

The Adecco Institute’s Demographic Fitness Survey 2007 reveals that 35% of European companies are already experiencing problems in hiring candidates with technical knowledge; and another 23% are having difficulty finding specific job-related skills for the positions into which they are hiring (see above). These companies are reporting shortages in language skills and general business knowledge as well.


Peter Cappelli, Director of Wharton’s Center for Human Resources, has argued that skill shortages are a consequence of HR practitioners defining roles too narrowly – of not capitalizing on existing talent in their workforce and developing latent skills. In an environment of increasing skill shortages, HR has the opportunity to expand their role at every point of contact with candidates and employees. Those already faced with skills shortages have numerous opportunities to think more creatively about filling those gaps: from more active recruitment to increasing the adoption of lifelong learning, career management and knowledge management tools throughout the enterprise.

Conclusions

Globalization increases the potential labor force, while demographic changes point to a shrinking

– as well as older – workforce. Skills shortages will demand that companies develop increasingly creative ways to meet their need for labor. These trends indicate that Talent Management is on track to become the single most important differentiator among successful HR departments – and indeed, among successful corporations. An HR practitioner’s ability to manage talent – talent acquisition, talent management, talent planning and talent retention – will determine the influence and success of HR in the future. We envision a shift to more influential HR leaders who take an active role in assessing workforce needs and putting strategies in place to meet them before “skills shortages” are blamed for shortfalls.

In so doing, HR will truly become a strategic partner in the business. Organisations that do a better job finding, deploying and keeping their human capital will enjoy the benefits of increased productivity and will not only overcome but exploit new labor market realities. Effective workforce planning based on existing and expected demand for talent – not filling existing vacancies – will become the single most valuable function of HR in the future, and will help employers gain competitive advantage in an increasingly competitive world.



“We now have the
knowledge as to how
to enact engagement”

Beverly Alimo-Metcalf
Professor of Leadership,
School of Management,
University of Bradford and
Chief Executive Real World Group

Building leadership capacity through engaging leadership

Beverly Alimo-Metcalfe

Given the need for organisations to be increasingly effective and also competitive in delivering the highest levels of performance while still controlling staff costs, it falls to leaders to get more from their staff, in a way that does not reduce their motivation and well-being. This is not only important for ethical reasons, but also because damaging either will ensure that any benefits will be short-lived. From our research we know that there is a way forward that enables organisations to build leadership capacity, while at the same time creating an environment in which employees can give more, *and* experience higher levels of motivation and reduced stress. This way forward focuses on leadership and the notion of “engagement”.

“Engagement”: What is it, and why is it so important?

Engagement has been described as: *a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation* (Robinson et al., 2004). In essence, engagement relates to the degree of discretionary effort employees are willing to apply in their work in the organisation. Several recent studies reveal that organisations with cultures possessing high levels of engagement outperform their competitors (Sirota Survey Intelligence, 2006; Towers Perrin, 2005; Watson Wyatt, 2006).

The question is, “How can we increase employee engagement?”

Academic literature shows that one of the most important variables contributing to “engagement” is the influence of the line manager. Negative corroboration of this relationship was found in the Towers Perrin survey, which also found that “while many people are keen to contribute more at work, the behaviour of their managers and the culture of their organisation is actively discouraging them from doing so”.

What form of leadership produces high levels of employee engagement?

It was the nature of the relationship between staff and their line managers that became the focus of our three-year investigation into the characteristics of “nearby” (i.e. day-to-day) leadership, and which ultimately enabled us to create a model of engaging leadership. We argued that “nearby” leadership was best judged by the staff of “leaders”, and our sample was the first to be truly inclusive of gender, ethnicity, organisational level and age. We believe that it is the first substantial empirically proven model of “engaging leadership”, although we initially referred to it as “nearby” transformational leadership.¹

The model to emerge from our three-year investigation was based on a sample of over 4,500 public and private sector (FTSE100 companies) staff in over 200 organisations based in the UK. The methodology was based on adopting the repertory

¹ Alimo-Metcalfe, B. & Alban-Metcalfe, R.J. (2001). The development of a new transformational leadership questionnaire. *The Journal of Occupational & Organizational Psychology*, 74, 1–27.

grid process of interviewing staff from middle to chief executive levels in a range of organisations. Our **Model of Engaging Leadership** shows the 14 dimensions in four clusters, as shown:

Model of Engaging Leadership

Engaging with Individuals

- Showing Genuine Concern
- Being Accessible
- Enabling
- Encouraging Questioning

Engaging the Organisation

- Supporting a Developmental Culture
- Inspiring Others
- Focusing Team Effort
- Being Decisive

Engaging the Stakeholders – Moving Forward Together

- Building Shared Vision
- Networking
- Resolving Complex Issues
- Facilitating Change Sensitively

Personal Qualities and Values

- Being Honest and Consistent
- Acting with Integrity

This model of engaging leadership closely resembles, and builds on, Greenleaf's (2004) notion of 'servant leadership', but also places emphasis on working in genuine partnership with a range of other internal and external stakeholders, at all times trying to see the world through their eyes. Strong themes emerged relating to building shared visions, and creating environments in which empowerment, appreciation, curiosity, experimentation, questioning of the status quo and learning are highly valued. Such leadership is not confined to those who occupy formal leadership roles, but rather, it is a process distributed throughout the organisation. The 360-feedback instrument developed to assess these behaviours, the *(Engaging) Transformational Leadership Questionnaire™ (TLQ™)*, includes measures of the impact of these 14 dimensions of leadership on staff's motivation, job satisfaction, commitment, and reduced work-related stress, enabling us to analyse the impact of leadership behaviour on staff. The evidence, based on several thousand public and private sector managers is that this engaging style of leadership does have a significant positive effect on staff *attitudes* and *well-being* (e.g. Alban-Metcalfe & Alimo-Metcalfe, 2000). Most recently, we have been able to provide evidence that this model of leadership, embedded in the culture, also significantly predicts productivity.

Engaging Leadership and its impact on performance and productivity

This second study involved a three-year longitudinal investigation to assess the impact of leadership on the successful implementation of change in 46 multi-professional teams. The research, which was funded by the UK Department of Health, was undertaken by ourselves and researchers at King's College London (Alimo-Metcalfe et al., 2007). The teams were created to support people experiencing crises in their mental health in their own homes, thereby reducing hospital admissions. We controlled for a range of important variables (e.g. size of team; when formed; range of staff expertise; resources available) that could affect the teams' performance, so that the *unique* impact of the quality of leadership could be quantified. In order to assess the quality of leadership in organisations and teams, we developed the *Leadership Culture & Change Inventory™ (LCCI™)*.² This diagnostic instrument was based on a combination of the engaging leadership dimensions in the TLQ, plus 14 leadership competencies.

The findings

Three dimensions of leadership culture emerged: "Engaging with Others", "Visionary Leadership"; "Leadership Capabilities", which were assessed at Time 1. We found that all three dimensions positively and significantly affected several aspects of staff's attitudes to work and well-being at work, to some degree (Figure 1, page 51). However, only "Engaging with Others" positively affected all 12 impact measures.

² Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2003). "Under the influence", *People Management*, 6 March, 32-35

Next, we examined whether any of these three dimensions assessed at Time 1 significantly predicted the productivity of the teams 12 months later (Time 2).

The results showed that of the three scales, only "Engaging with Others" was a significant *predictor of productivity*, even when allowance had been made for all the contextual factors. As far as we are aware, this is one of the first studies to have provided evidence of a cause-effect relationship between leadership behaviour and organisational performance, when the effect of the context has been taken into account. Examples of how engagement was enacted in high performing teams are shown below. Given the increasing criticism of leadership competency frameworks,^{3,4} it is interesting to note that competencies did *not* predict productivity. We have adopted this model successfully in both private and public sector organisations (see www.realworld-group.com).⁵

Characteristics of leadership of high performing teams

- Engaging important stakeholders
- Collective vision of good quality service
- Non-hierarchical teams
- Supportive culture
- Successful change management

Conclusions

New notions of leadership stress that leadership is not simply the domain of a few, but is prevalent throughout the organisation in the untapped talent of all its employees. The role of the organisation and its formally appointed leaders is to create a culture in which such latent potential is nourished, recognised and released in daily interactions as ways of "being", and of doing things together. Engagement is the key to exploiting this resource. We now have the knowledge as to how to enact engagement and how to embed it in the culture such that it becomes the "modus operandi", and HR professionals will play a crucial role in advising, guiding and supporting their organisations in encouraging new ways of working in which *connectedness* is at its core.

³Hollenbeck, G. P., McCall, M. W., Jr. & Silzer, R. F (2006). Leadership competency models. *Leadership Quarterly*, 17, 398-413.

⁴Bolden, R. and Gosling, J. (2006). Leadership competencies: Time to change the tune? *Leadership*, 2, 147-163.

⁵See www.realworld-group.com

The impact of the three leadership dimensions of teams on staff’s engagement and well-being (n = 731)

Impact measure / leadership dimension

	Engaging with Others	Visionary Leadership	Leadership Capabilities
Attitudes to work			
A high level of job satisfaction	✓		✓
A high level of motivation to achieve	✓	✓	✓
A strong sense of job commitment	✓		
A strong sense of organisational commitment	✓		
Well-being at work			
A high sense of fulfilment	✓	✓	
A high level of self-esteem	✓	✓	
A high level of self-confidence	✓		✓
A low level of job-related stress	✓	✓	
A low level of job-related emotional exhaustion	✓	✓	
A strong sense of team spirit	✓		
A strong sense of team effectiveness	✓	✓	✓

Figure 1

Alban-Metcalfe, R. J. & Alimo-Metcalfe, B. (2000). An analysis of the convergent and discriminant validity of the Transformational Leadership Questionnaire. *International Journal of Selection & Assessment*, 8, 3, 158–175.

Alimo-Metcalfe, B., Alban-Metcalfe, J., Samele, C., Bradley, M. & Mariathasan, J. (2007) "The impact of leadership factors in implementing change in complex health and social care environments: NHS Plan clinical priority for mental health crisis resolution teams (CRTs)". Department of Health NHS SDO, Project 22/2002.

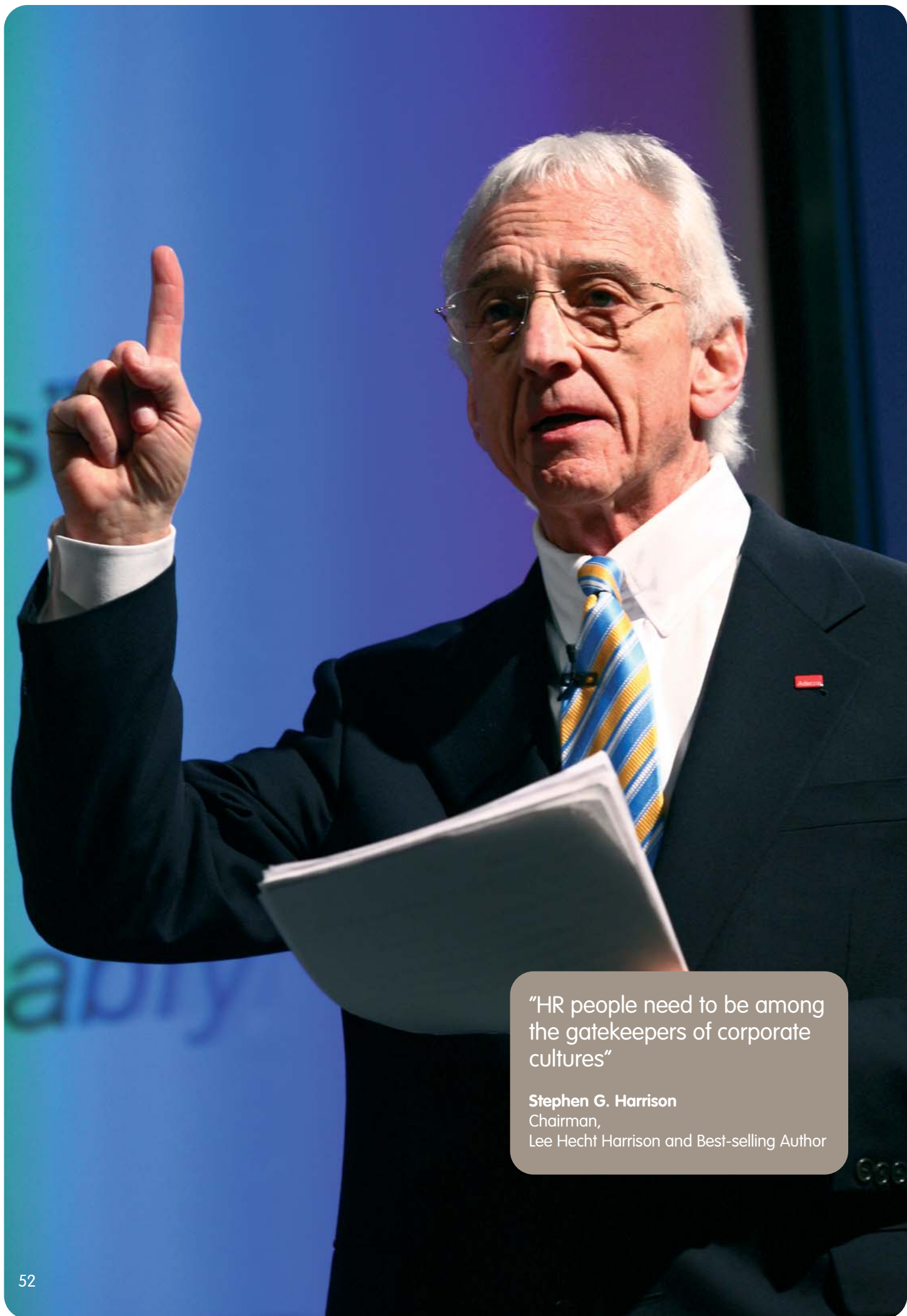
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Robinson, D., Perryman, S. & Hayday, S. (2004). *The Drivers of Employee Engagement*. Institute for Employment Studies, Report 408. Sussex, IES.

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“HR people need to be among the gatekeepers of corporate cultures”

Stephen G. Harrison
Chairman,
Lee Hecht Harrison and Best-selling Author

What CEOs want from HR and how to deliver

Stephen G. Harrison

The HR professional's quest for a seat at the mythical "strategic table" has been a decades-long yearning. Even in my own 14-year early corporate HR career, I experienced this frustration ... feeling victimised by a less-than-enlightened top company management.

Now, 30 years after leaving corporate HR, this is what I continue to hear from HR people:

- "The C-Suite must realise that HR needs to be at the strategic table"
- "We don't get enough face-time"
- "We're just HR ... seen too often as administrators"
- "We often lack self-confidence"
- "We often have to almost justify our existence"
- "We're being outsourced to death"
- "We don't know how to sell ourselves"

According to recent SHRM survey data, many HR people insist that:

- "Leaders need to recognise HR's value"
- "HR must become more proactive, courageous, less risk-averse"
- "HR people must overcome management's apparent low expectations of the function"
- "Investors and analysts must link HR strategy to stock performance"

Yet another survey reported that only 12% of HR people viewed themselves as "primarily strategic".

My reaction to all this is the following:

- Obsession with the "strategic table" is misguided, counterproductive, unrealistic – even presumptuous!
- It is not a prerequisite to adding significant value
- There are lots of more worthwhile "tables" to visit and contribute to

As Susan Meisinger, President and CEO of SHRM, says: "If you have to ask to be at the strategic table, you probably don't belong there!"

I believe that this mindset is out of sync with the new workplace realities, and requires a major "M-R" ... Mindset Realignment. And I urge HR professionals to beware the self-fulfilling prophecy! A recent SHRM Foundation survey of corporate C-Suite leaders viewed human capital issues as the number-one challenge for the future.

The top four issues as seen by top management were revealed as:

- Succession planning
- Providing leaders with skills to succeed
- Recruiting and selecting talent
- Engaging and retaining talented employees

These findings don't differ too much from a survey published two and a half years ago by Human Resource Executive Magazine titled, 'What CEO's Want From HR'. The results ranked the key requirements as follows:

1. Trusted advisor
2. Great communicator
3. Leader
4. Cultural leader
5. Outsourcing innovator
6. Financial know-how
7. Talent manager
8. Technological wiz
9. Results-driven operator
10. M&A analyst

So, assuming that the HR professional's concerns are more imagined than real, or at least exaggerated, what is the formula for gaining greater legitimacy in the eyes of top corporate management?

First, take note of the emphasis on leadership. This area consumes the ranks of C-Suite leaders as never before. HR people cannot afford to have

superficial knowledge of the subject if they are to help guide the thinking of top management: Can it be learned? If so, where? With so much literary clutter out there, who are the most respected authors and thought leaders? Warren Bennis, the late Peter Drucker, Frances Hasselbein and the Leader-to-Leader Institute, Kouzes and Posner, Rosabeth Moss Kanter, John Kotter, Bill George, Reinhard Sprenger, to name a few. And in the area of corporate culture, consider Alan Kennedy ("Corporate Cultures"); and Daniel Goleman ("Emotional Intelligence"). These all advocate commitment to three key leadership priorities: Integrity; Purpose; Culture Sensitivity.

Second, be a student of the non-operating issues that are producing CEO insomnia ... the soft intrusions that are producing CEO mind-clutter, so that you can help resolve these deflections. Examples are: compliance, ethics, corporate governance; CSR/sustainability; security; stress; work-life imbalance; reputation management; succession planning; talent management including employee engagement and retention.

Third, as an HR professional, be conscious of some basic dos and don'ts.

Do not:

- Push or "teach" your function, or overuse HR jargon
- Procrastinate on project assignments
- Overuse outside consultants
- Whine, complain, or be a one-person "Oh-My-G-d Squad!"

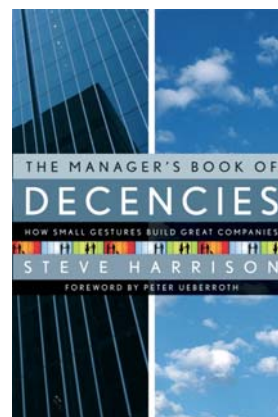
Do:

- Think strategically
- Speak the leader's business language
- Be pro active and preventive
- Be candid, constructive, substantive and objective
- Offer timely and complete information
- Prioritize
- Develop your communication skills, including public speaking
- Read: "Why Should The Boss Listen To You?: The Seven Disciplines of the Trusted Strategic Advisor" by James E. Lukaszewski

A final word: The new world of work presents a golden opportunity for HR professionals ... The surveys confirm it, the thought leaders confirm it, and modern workplaces welcome it. Central to this reality is that HR people need to be among the gatekeepers of corporate cultures ... cultures that are committed to an environment of decency ... a huge success factor if employee engagement and retention and ethical conduct are valued. Cultures that reject "executive pomposity"; cultures that believe in non-financial rewards (psychic income) and the power of trust; cultures where leaders praise in public but criticize in private, share credit and hoard blame, understand the power of humility and integrity, and that "tough love" is not an oxymoron!


Author and consultant David Noer says it best in his recipe for cultural "glue":

"First fill the glue pot with the fresh, pure clear water of undiluted human spirit. Take special care not to contaminate with preconceived ideas or to pollute with excess control. Fill the pot slowly. Notice that the pot only fills from the bottom up. It's impossible to fill it from the top down! Stir in equal parts of customer focus and pride in good work. Bring to a boil and blend in a liberal portion of diversity, one part self-esteem, and one part tolerance. Fold in accountability. Simmer until smooth and thick, stirring with shared leadership and clear goals. Season with a dash of humor and a pinch of adventure. Let cool, then garnish with a topping of core values. Serve by coating all the boxes in the organization chart, paying particular attention to the white spaces. With proper application, the boxes disappear and all that can be seen is productivity, creativity and customer service."



"The Managers Book of Decencies"
Published by McGraw-Hill, 2007

Hardcopies of Steve Harrison's books can be ordered from www.amazon.com by simply typing "Steve Harrison" in the search engine

A middle-aged man with short grey hair and glasses is speaking. He is wearing a dark pinstriped suit jacket, a white shirt, and a patterned tie. He has a blue lanyard around his neck. His right hand is raised, showing three fingers. The background is a plain, light-colored wall.

“There is alignment, which is ‘knowing what to do’, and there is engagement, namely ‘wanting to do it’ ”

David MacLeod
Towers-Perrin &
Visiting Professor Cass Business School
Co-Author “The Extra Mile” –
How to Engage Your People to Win

Maximising employee engagement through learning and development

David MacLeod

Towers Perrin's research of 50 multinational companies has a clear message – engagement levels predict success. Companies with highly engaged employees saw an average increase in operating income of 19.2% in the year we studied. This strong correlation should heighten management's commitment to engaging employees. One of our interviewees, CEO of leading UK retailer Sainsbury, Justin King, put it succinctly: 'In my business, with 140,000 people, engagement is my number one concern. In businesses of scale, you don't even get started without engagement.'

What is engagement really on the ground feel like? I think it's something about what people do in our organisations when they see an opportunity for revenue enhancement – do they walk pass it or do they take it? When you ask people at a supermarket as I do, "where's a particular product, do they say, "it's over there somewhere, mate, down on the third" or do they say, "Let me take you there"? Do they go the extra mile?

An organisation with disengaged people is easy to spot, especially at management level. Have you come across "consent and evade" tactics? People go to meetings and sit there and the boss says, "We are all going to do X and we have no choice." People don't really want to do X and say, "Very good idea." Mentally, they have no intention of doing anything at all about it. They consent

because it is easier to consent and then go away and do nothing.

The value of engagement can be immense. If we can engage our people to the point that all revenue opportunities are fought for, all opportunities to reduce costs, however small, are taken, our people care about giving great customer service and innovation ideas are driven forward then performance will follow. For instance when companies first started doing mobile phones the engineers had to talk to each other. They didn't want great long conversations and developed texting for themselves. Having thought this is "quite helpful for us", they then asked, "I wonder would it be helpful for the customers." The rest as they say is history. But they were connected with the front-line – they were engaged in the whole company effort.

In developing a clear approach to addressing engagement – one should understand the difference between engagement and alignment. There is alignment, which is "knowing what to do", and there is engagement, namely "wanting to do it".

But this is not the case everywhere. Our Towers Perrin study showed that about 12% were really, really engaged, 65% moderately engaged and around 23% disengaged.

What you do to generate engagement will differ dependent upon the business context. If you are running a high hazard chemical business or a dot com start-up the kinds of things you do will be a bit different. There cannot be a proforma for what to do but our study reveals some common themes that should be relevant to businesses and HR professionals worldwide.

The power of why

For people to want to do something, they need to be able to answer why they are doing it, so they need to be encouraged to ask questions, not just told to do something. I attended a fascinating talk by an Admiral of the British Navy who told me he was considering entitling his speech on leadership "Why?" – because every time he told anyone in the Navy do anything, they asked him "why?", except when they were firing guns. This was seen as a virtue – we respect people and people respond better when we can ask and can then understand why. So I really encourage people that start out on some initiative, to challenge it. Get people inside to challenge it. Challenge it yourself. So that when you emerge you are more committed. It is more likely to stick than when people just watch you.

Top team alignment

I was in an organisation the other day and the head of manufacturing had two things to present. The first one he kind of threw his jacket off and he was going for it and his arms were all over and

he was enthusiastic ... everything about him was committed. His second topic – I think it was the strategy management cascade – he literally put his jacket on and started to read from the charts. And what was everyone in the audience thinking? Topic one is "how you get on around here because this guy really cares about that". Topic two "actually he is not committed to it, so why should I be?" Authentic leadership ... we really do need to work at that to avoid consent and evade.

Top 10 drivers of engagement

Our study analysed what engages people and how companies are doing for the factors that count. The first driver is that "senior management has a sincere interest in my well-being". That is the prime driver. The second driver is "I have improved my skills and capabilities over the past year". A further 30 or 40 criterion follow below that.

Regarding how the most important driver is being handled in organisations, 30% give a positive, 25% mixed and 45% unfavourable assessments. We are not actually doing very well on that. On the other hand "I have improved my capabilities over the last year" – something like three quarters of people think they have and so on. All these scores are very, very important to understand and can be used to identify areas needing attention.

There are now plenty of techniques to get these numbers for your organisation, but a word of

caution. If you do understand this analysis, don't just offer it to the middle of the organisation to work on, as you won't move things very much. The entire organisation, including top management has to be involved.

Reservoir of well-being

To consolidate how we think organisations can embrace this concept of engagement – and begin to manage it – Chris Brady from Bournemouth University and I have come up with this concept that there is a reservoir of well-being in every individual. There are four things from all this research that need to be attended to stop the reservoir of well-being – the source of engaged people – from draining away. These are Respect and Attention; Learning and Development; Fair Rewards and Environmental Well-being.

In regard to Respect and Attention, according to our study, only 37% say managers “inspire enthusiasm for work”. Looking at rewards, there was a big study done by a major financial institution and at the end it said, “We are surprised by how important non-financial rewards are.” We are all the same, aren't we? If someone says, “David, that's a great presentation” or “David, that was a good study you did” ... you just feel good, don't you? How much effort does it take? Our study shows 45% say the criteria for rewards are not fair. Regarding Learning and Development, 52% believe they have sufficient opportunities to learn and develop new skills.

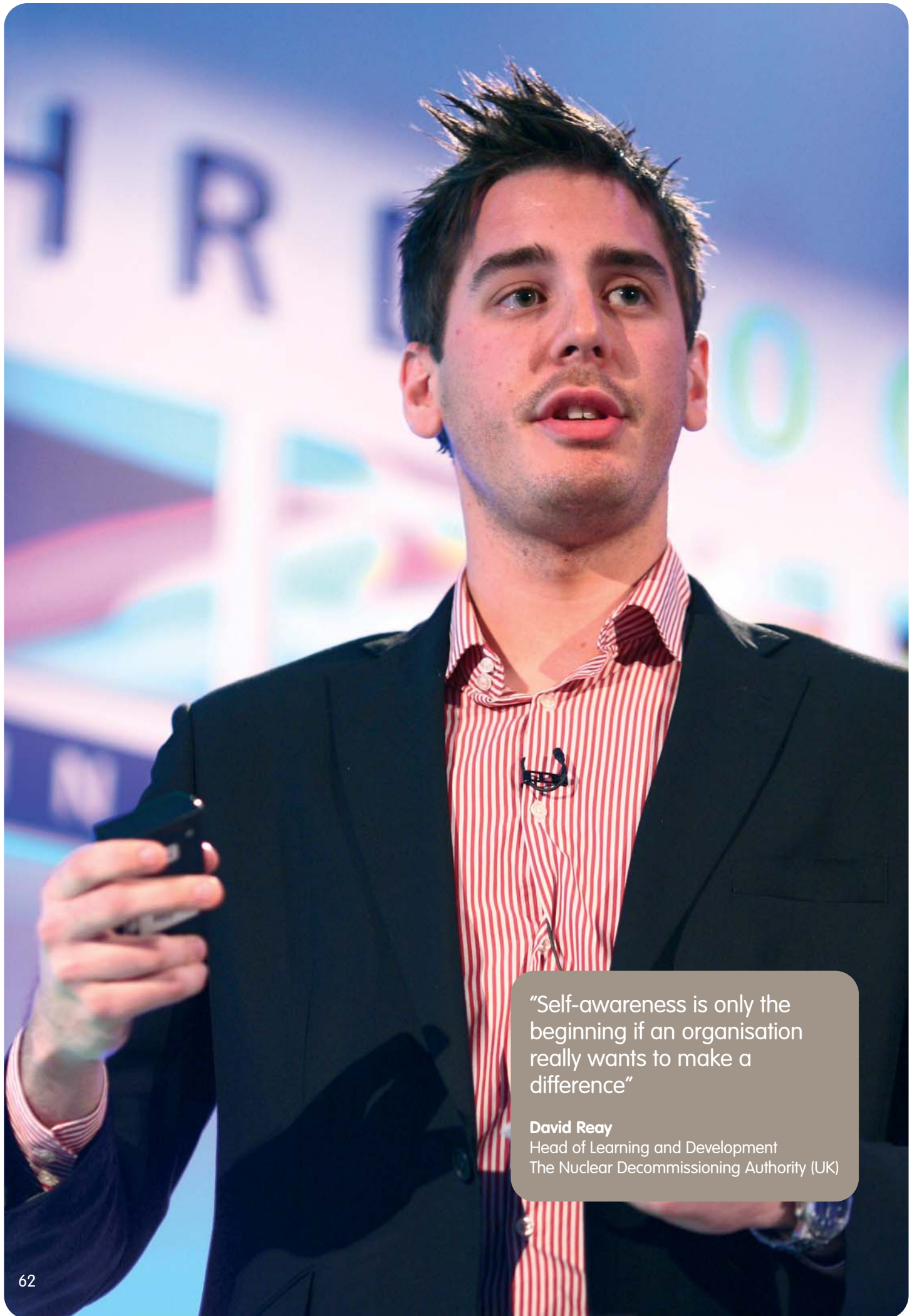
Do you know what has gone, in the latest research, from nowhere in terms of engaging people to number five on that list? Corporate Social Responsibility. Rupert Murdoch's Sky have committed to neutral carbon footprints and so on and people who work at Sky are talking positively and proudly about it.

It is not rocket science, but it is clear there is so much for us to do. A big area of focus, in our view, should be organisation's middle management – the permafrost layer. The front line is fine – it has got all the stimulus, the customers. The problem is the middle of the organisation. There are two approaches you can take: You can take the whack-them, cut-them, go-round-them, disenfranchise-them approach or you can take the Toyota approach. The latter is all about never missing a beat on investing in the middle manager. And just look how successful they are.

We believe there are “Seven Pillars of Engagement”, most of which I have already mentioned. Let me add the importance of “getting to the front line”. Don’t loudhailer your people, thinking “If I shout louder they will get it.” No, they won’t.

Another pillar is to “unlock talent”. Do you remember the great study about the war for talent? I think the war for talent implies there is a few kind of anointed souls who have some sort of ethereal power to be brilliant. I do not believe that. I believe we have fabulous people in our organisations. Our job is to unlock their potential, it’s a mindset change.

Creating engagement is not about tree hugging. There needs to be discipline in a workplace. But if we can evaluate and manage the reservoir of goodwill, we can engage our people and the performance will follow. This is especially important in difficult economic conditions when we need to harness the discretionary effort of all our people.



“Self-awareness is only the beginning if an organisation really wants to make a difference”

David Reay
Head of Learning and Development
The Nuclear Decommissioning Authority (UK)

Everyone's got talent

David Reay

We are all being told in today's working environment that one of the biggest challenges for businesses and HR is how to attract and retain top talent – the leaders of the future. But is this what it really should be about? We live and work in a society that is occupied with becoming more efficient, and getting the most out of what we have ... so in a business context is focusing attention on a small minority of people really the best way to do this? For the Nuclear Decommissioning Authority (NDA), talent management is a way of giving opportunity to everyone – leveraging the skills and potential of the entire workforce to ensure the business grows and grows.

A unique challenge

The NDA is all about facilitating change within a large and historic industry. It was set up in 2005 to manage the UK's nuclear legacy and oversee the safe decommissioning of 19 nuclear plants in an industry that employs over 19,000 people.

The issues being dealt with are huge. The potential impact for the UK is huge. How we manage it all depends on how we manage our people. People are truly the only resource and commodity the NDA have.

It's all about behaviours

This has meant a need to attract, develop and retain people with astounding technical skills and make sure they are able to use and develop these effectively. As a business it relied in the early stages heavily on technical competence but if a significant impact on the UK's nuclear landscape was to be made – behaviours were going to make the difference. So, central to the NDA's Learning and Development programme is using behavioural success criteria.

Working with the Scala Group we were able to design the foundations of the programme as a capability framework that focuses on behaviour. On one level it represents the organisation's success criteria. It's a guide to help people know what to aim for. An extensive range of target behavioural aspects are covered in the capability framework, which included for example:

- Adaptability/flexibility
- Openness to new ideas
- Problem solving
- Managing team/meetings
- Client orientation
- Negotiation
- Managing People
- Planning
- Control
- Decision-making
- Organisation
- Control
- Results orientation
- Self-control and stress management
- Conflict management
- Initiative
- and more

The capability framework has an accompanying online self-awareness tool that gives a personal profile of strengths and development areas against the capabilities. So it is both a self-diagnostic tool and an action planner.

Self-awareness is only the beginning if an organisation really wants to make a difference. Putting the right development opportunities is vital, e.g. management development, people management, secondments, accelerated graduate development and e-learning.

Closing the loop between individual and organisation talent

Everybody needs to plan for business continuity – succession planning needs to give what the business needs. For the NDA relevance obviously means linking to future business pressures but more importantly making it relevant to the people and to the values of the organisation – openness, transparency and fairness.

How do you deal with succession in an environment that needs to nurture and grow scarce skills – but not at executive level but right through all disciplines and grades? Is this not what many organisations now face? Developing a leadership pipeline is no longer sufficient business continuity planning.

All succession planning processes are underpinned by having lots of information on people and business. But it's what you do with the information that is important. For the NDA it was creating the concept of talent notes.

Talent notes provide a summary of capabilities, career aspirations, performance data and suggested development needs and career paths. Using these as a basis for discussions with line managers helps focus thoughts on current and future pressures, regards people's skills but also helps managers get comfortable having discussions with their staff about development.


Having a sound appreciation of strengths and vulnerabilities for the immediate and longer term makes it easy to create a coherent Learning and Development strategy addressing what to do about these vulnerabilities – this strategy is for everyone – high potential, scarce skills, those with potential skills. By implementing this you're able to mitigate any risk. This piece of the programme closed the loop on aligning individual and NDA requirements.

So what?

The approach that the NDA has taken to managing talent highlights a number of lessons that we can think about going forward.


- Don't be scared to challenge concepts – why does talent have to be about the top 10%? Put a new twist on what the business stands for – everyone is important, so make talent important for everyone.
- Get everyone involved – talent isn't a HR initiative – we're there to listen to the business and interpret what they need, what they find difficult, what they aspire to – the business owns it – we helped them find the right behaviours to drive the right culture. Remember that we provide tools but it is what you do with them that matters. It's certainly not an easy thing – far from it – but by spending time talking, listening and engaging you can make it meaningful and work.
- Talent management can't work alone for the business – it needs to be linked with other processes, with the culture and with the people.

It is evolving into something that is for everyone and not just about retaining high potentials – this can really help make HR a true strategic business partner at last.

A photograph of Jonas Ridderstråle, a bald man with glasses, wearing a white button-down shirt and dark trousers. He is gesturing with his hands while speaking on a stage.

“Welcome to the era of
courageous leadership”

Jonas Ridderstråle
Visiting Professor
Ashridge Business School

A photograph of Mark Wilcox, a man with short dark hair, wearing a dark suit jacket over a light-colored shirt. He is gesturing with his hands while speaking on a stage.

“We set you the quest to be
different and surprise the
rest of us”

Mark Wilcox
Director and Founder
RedThread Consulting

Re-energising the corporation

Jonas Ridderstråle
Mark Wilcox

In our seminars and our book we talk about the need for and nature of surprise in business – discontinuity and disruption. You cannot ignore change. You can only produce or try to reduce it; and we think there is only one real choice. To make change happen you need to re-energise your corporation and our model of leading change, 3E Leadership, enables you to Envision, Engage and Execute change.

Welcome to the 21st century. Welcome to the era of courageous leadership. Its time has finally come and without exception the talented people who embrace boldness will flourish in a business environment that demands leaders of exceptional ability and determination. Gone are the days where compliance and control was king, welcome to the exciting era of engagement. When leading change is about navigating the surprises of the business landscape and becoming the surprise shocker of your industry, a new model of leading and delivering change is required. 3E Leadership brings together people, projects and positive change in a way that makes change happen.

3E Leadership is not management; just as driving to work is not formula one racing. There is a difference in the level of talent required and the level of excitement and challenge it generates. This is for the brave, because it is our belief that only the courageous can lead change exceptionally well.

Whilst not everyone can be Lewis Hamilton, most people can become talented drivers in the race we know as business today. Let's not forget, right now speed is critical in business and the decisions made by leaders affect the results of the race. In today's business climate taking the right decision, taking the team with you and ultimately delivering the results expected of you, is what being a leader is all about. We capture this triad of expectations in 3E Leadership.

Leadership is too important to be left to people who just want to control the costs and operations in the business. Leadership is the emerging competence that distinguishes rostrum performance from also-rans. It's not a just desirable in business: the quality of leadership will determine more so than any technology or service proposition the winners of tomorrow.

There are three E's in re-energising – Envisioning, Engaging and Execution (Figure 1). All three need the attention and actions of leaders to enable their businesses to become the market leaders and surprises generators of their industries. Envisioning the future direction and therefore ultimately the concrete challenges and opportunities your organisation faces should not be a dry discussion in a "bored" room, but dialogue with depth on the way forward. You cannot get real change by reducing people's involvement to execution only – not any more.

Envision	Engage	Execute	
Competence	Confidence	Courage	Attributes
Context	Relationships	Capacity	Attention
Challenges	Commitments	Capability	Action

Figure 1

3E Leadership is about inspiration. It's a people related process that taps into the discretionary effort that is locked away, hidden, in most organisations; and the bigger the organisations – the larger the hidden effort. People across the world and particularly in the re-engineered, re-organised, re-sized, reductionist organisations that form the majority of the FTSE 200 and the Forbes 500 want to be inspired. They want to work for more than an efficient business, more than an experiment in less, more than an attempt to operationalise life. People, employees, associates, colleagues want to be led not managed.

Take a look at the evolution of thinking in business. Back in the 1920's when management and business was becoming the subject of rigorous study the interface of man and machine was the focus. History has taught us that efficient management can reduce costs and has made operations in business lean and repeatable. We have Fredrick Winslow Taylor to thank for this in terms of ideas and Henry Ford, Arthur Sloan and McDonald's to thank for the case studies in operational excellence. The essence of this approach to "scientific management" is/was to take all the skill out of the operation and reduce the process to the simplest possible level of action. Result: people are treated like oxen. At the time it was considered the epitome of business intelligence and lauded as progressive management.

The problem with repeatable processes, and anything that can be reduced to a documented process, is ultimately it's also repeatable by someone else. Result: limited competitive advantage, short-term savings for short-term advantage – necessary but not sufficient.

We are now emerging into a new era where the demand on the organisation from talented knowledge workers is greater than at any other time in the history of mankind. Bright people, and let's at least acknowledge that we are smart enough to hire bright people, ask better questions. They want to be engaged with their employer. There was a time when a job was a necessity. If you were good enough to employ people this was reason enough to gain their loyalty. Commitment was automatic. People were self-motivated. Fortunately, or unfortunately depending on where you stand, this does not compute now for the majority of knowledge workers or the corporate competents, as some would label them. For this group of talented individuals they want or more accurately demand a better deal. The psychological contract, that unspoken deal we all make with our employer, is getting more complex and more demanding to fulfil. Engaging them, really differentiating the employee value proposition to a level of the individual, is the way to get talent committed to your cause. One-to-one leadership is the case for engagement.

Compliance is not enough to keep the best and brightest in your organisation. You need a compelling employment value proposition. Talented people have freedom of choice and you need to ensure for the best players in the game, that they chose to be on your team. Oxen you could beat into compliance, or at least reward with a suitable carrot. Taylorism was built on that simple principle. Times change, people change, expectations change, and management is no longer enough. What these demanding times require is exceptional leadership. 3E Leadership captures the essence of what times now demand of us.

Look at the best business cases you can find in the current press. Look at the group of peak-performers and try to find examples of just efficient businesses. There are few, if any. Why? It's no longer enough to be well controlled. Management is essentially about creating systems of command and control. As necessary as this is, plain old management does not inspire people who work in the organisation to excel. It encourages them to comply; to work within the framework that the management system creates. Most systems of management work to the lowest common denominator and try to be fair to all, instead of focus on the exceptional performers, those we call positive deviants.

Why does this matter? Well, over time this management by systematic aggregation rewards and promotes the mediocre instead of the extraordinary. Managers concentrate on things, the tangible assets that can be counted, measured and costed. Leaders concentrate on people, the employees, the shareholders, the suppliers and the customers. Think about it for just a second, and then think where your future is coming from. As an experiment in good management try this little sale pitch in your next brochure or annual report.

“XYZ Ltd as average as the next business. Mediocre is our aim, average our game.”

3E Leadership is about creating the environment and the vision that allows people to excel and produce change – to energise and be energised. Leadership with a vision creates people who engage with the ideas and dreams of the organisation, beyond the level possible by any compliance system. It allows people to release energy to execute, and bring to fruit their ideas, their hidden talents and their discretionary effort. Without doubt the way businesses are led will distinguish the moderate from the magnificent and the best from the boring. We set you the quest to be different and surprise the rest of us.



“The need for fast-start, simple tools that get people started and make an immediate difference can only grow”

Shaun Lincoln
Associate Director
Leadership and Management Unit,
Learning and Skills Network

Using an HR toolkit to get the most from your teams

Shaun Lincoln

Why do we need tools to improve the effectiveness of team-working?

One thing that all teams have in common is that they are based on individuals. Effective teams rely on the active commitment, participation and engagement of these individuals. The team itself is usually only one part of each team member's overall role and responsibilities. It therefore has to compete for their allegiance and engagement. Getting teams working together successfully is costly and time consuming. The HR "toolkit" of quick, easy to use tools helps energise and bond teams, enabling them to work to their full potential and achieve the desired results. Moreover, each creates the small steps and actions that get people going.

All three tools I'm going to outline here are relatively quick – often 5 to 10 minutes, 90 minutes at most, so they can be used at very short notice. And because they have immediate results, the return on investment in terms of outcomes, time savings and benefits outweighs the time spent using them.

Tool 1: Getting teams started – Solution-Focused Documentary tool¹

This tool is ideal for newly formed project teams, for integrating two previously separate teams, or for helping new team members settle in to their team role. The key outcomes are that by using the tool, the team is:

- able to work closely together, with no tensions
- clear on its objectives and how to achieve them
- confident, motivated and committed

What is the tool?

The Solution-Focused Documentary² has five main stages that correspond to the stages of a coaching model called OSKAR.³ The tool takes 60 to 90 minutes to complete in its entirety, though individual elements can be effective on their own.

How to use it

Stage 1 – Outcome (25 minutes)

The team imagines it has just successfully completed a project (preferably one they are actually working on), focusing on the tasks it needed to achieve and how it achieved them. Because of this success, a local documentary team has been asked to come and film how they did it.

¹ Jackson and McKergow, 2007.

² Berg and De Shazer, 1995.

³ Jackson and McKergow, 2007.

You then explain that before the documentary team comes to film, they need a clear storyboard – a series of pictures (or “frames”) with captions – of what and who they will film, why they will film them and what they will be doing. The team are given 20 minutes to draw up a storyboard, using the guidelines below:

Guidelines:

- Team members must have a “starring role” in one frame, plus two extra frames (i.e. for a team of six, there will be eight frames: one for each team member, plus two extra).
- Everything must be visible or audible.
- You can caption pictures, or use speech-bubbles for dialogue.
- Frames should show who these people are, what they are doing, and why it’s important.

Once completed, the teams have three minutes to present the storyboards, with the “star” of each frame presenting their individual frame and the rest presented collectively. This is a serious but fun exercise.

Stage 2 – Scaling (10 minutes)

Having presented the storyboards, the team are asked to rate each frame on a scale of 1 to 10, where 10 means everything shown in the frame is already happening, and 1 means none of it is happening and we don’t know how to achieve it.

Stage 3 – Know-how (10 minutes)

The teams divide into pairs, ideally with a member from another team. They take it in turns to explain to each other why they rated the frames as they did.

Stage 4 – Affirm and Action (10 minutes)

Remaining in pairs, each person tells their partner what has impressed them throughout this activity and what skills and attributes they have contributed. Each person then chooses a small action that they can take in real life to move them and the project forward.

Stage 5 – Review (10 minutes)

Finally, the whole team sits back together and each member shares the action they have agreed to do and when they will do it. Members can also share general observations and ideas they have about the project and process. The team leader notes down the actions and shares them with the group. It is useful to record the storyboard so it can be referenced as the project progresses.

Team Tool 2: Shared Eclipse

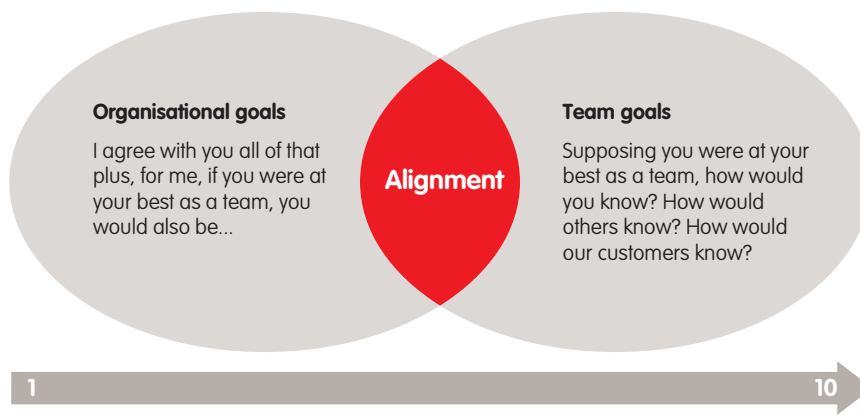


Figure 1

Why does it work?

The tool helps teams develop and work within a common approach to achieve their objectives. They are more likely to engage with objectives that have been assessed and decided on collectively. By focusing on the successful outcome of the project, the exercise presumes that every team has an unconscious ability to work together to achieve their goals and helps people recognise that they have the necessary capabilities.

Tool 2: Keeping the team on track – Shared Eclipse tool⁴

What is the tool?

Poor performance is often due to poor communication, rather than a lack of commitment or motivation. The Shared Eclipse tool is designed to overcome this by aligning an individual or team's vision of how they need to be working, with that of their team leader.

How to use it

The team leader asks the team: Supposing you were at your best as a team, how would you know? How would others know? How would our customers know?

The team offer their responses, which provide a valuable insight into what motivates them. After acknowledging the team's responses, the team leader gives their own vision of what the team would be doing. Both sets of responses are presented in a Venn diagram, with the overlap being the common factors in the responses of the team and the team leader.

For example see figure 1.

⁴ Lincoln, 2007.

The team rates between 1 and 10 how much of an overlap there is between the circles, where 10 means the two circles perfectly overlap and 1 means that they are not even touching. They then discuss why they chose that number and what can be done to increase the overlap and move the number up the scale.

Why it works

The shared eclipse tool is a quick way of clarifying communication. In 10 minutes, a manager can learn what an individual or team thinks it should be doing in order to be at its best. They can then communicate their own vision of what they think they need to be doing. By giving its responses first, the team takes ownership of the process, increasing its engagement. A third benefit is that it can highlight where there is no overlap at all, enabling the team, individual and manager to decide how best to address this.

An alternative version of this tool is to add a third circle, representing the individual's responses.

Tool 3: Overcoming issues that arise – Reflecting Teams⁵

What is the tool?

The Reflecting Team tool⁵ uniquely combines action learning, mentoring and one-to-one coaching. It is a 25 to 30 minute tool that enables a team to help one of its members find a solution to an issue or question that they need help with.

How to use it

Presenting (two to three minutes)

The team member(s) who needs support (the "customer") briefly explains the issue they would like help with. It is often useful to ask them to phrase what they want as a question, such as "How can I find time to do this team project and my day job?"

Clarifying (up to 10 minutes)

The team then take turns to ask clarifying questions, taking great care to listen to what is said and understand the issue, not to merely offer advice, and to always wait for their turn before asking anything. Try to avoid "why" questions, which often invoke defensive responses.

⁵ Norman 2005.

Affirming (2 minutes)

Once clarity about the issue and the actions that have already been tried is sufficient, the team discuss what has impressed them about what the customer is already doing or has achieved.

Reflecting (10 minutes)

The customer now sits outside the group, often with their back turned. They can take notes but not intervene or make eye contact. The team then take turn to share ideas, their own experiences, advice or additional questions. If they have nothing to share, they can "pass". This continues until everyone has said all they want to say, or time runs out.

Closing (2 minutes)

The customer is invited back in to discuss what was useful, what they have learnt and what actions they are taking away.

Why it works

This tool forces teams to listen to each other and creates the space for a structured learning conversation that captures the team's wisdom in a way that is heard and acted on. It fosters team spirit, with the team often benefiting as much as the customer. It also makes people realise that they have the resources to answer most questions and overcome most obstacles they face in their jobs.

To sum up ...

All three tools are practical and easy to use with both teams and individuals. Given the increasing pace of the workplace, the need for fast-start, simple tools that get people started and make an immediate difference can only grow. With all three, however, the proof is in the pudding, so please borrow with pride, have a go, and let me know how they work.

⁶ This tool is adapted from Harry Norman et al, "SF Reflecting Teams in Action" in Positive Approaches to Change (eds. McKergow and Clarke, 2005).



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