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<u>Capacity Without Headcount:</u> <u>Making Every Leadership Moment Count</u>

A White Paper By Don Brown, author of 'Bring Out the Best in Every Employee' (McGraw-Hill), 'What Got You Here Won't Get You There – in Sales' (McGraw-Hill) and 'Situational Service – Customer Care for the Practitioner (CLS). Don has spent 30 years 'helping people with people' for the likes of Anheuser-Busch, Ford Motor Company, United Airlines, Harley-Davidson, Jaguar Cars, SYKES and Hilton Hotels.

We work in a business world in flux, along a change curve that's global, not local, with fallout for you as an individual and implications for you as a leader of others:

- 1. It's <u>no</u>-normal, not 'new normal'. Find out why we have no choice but to elevate capacity without adding headcount. To get more done with the same people.
- 2. We are losing the ability to connect. Discover the impact of the twenty-first century on how we interact with one another other, or don't, and what it means to each of us personally.
- 3. There are powerful implications in leading as well. Prepare yourself for what's here, and what's coming,. As a leader, *you* are the one who will be responsible for output in a no-normal world.
- 4. So what, and now what? How can you cope, even thrive against these odds?

Not New Normal, No-Normal

The *new normal*. You hear the term everywhere: lower starting wages, vanishing job security, pay cuts of 5, 10, or even 20 percent, furloughs, unpaid work, unaccustomed thrift, doubledigit unemployment, underemployment, five-figure job cuts, and punitive new procedures for lending and borrowing capital. Conventional wisdom would have you believe that our collective economy and existence has finally settled into a new set of norms and expectations.

A change in perspective is in order - to that of <u>no</u>-normal!

Normal [*nawr-muhl*]: Conforming to or establishing a common standard or type . . . the acknowledged average, habitual, orderly, routine, run-of-the-mill, or typical.

Are you witnessing anything today that conforms to the above definition or synonyms for the term *normal*? Is there anything habitual, orderly, or routine about what you see going on around you? In 2012 alone there were 87,800 layoffs – across only 7 companies! Normal has yet to gel again. Just when we think things have settled down, a new frontier for chaos opens up. There is no 'normal', and consensus seems to be that it could take another decade before any new order settles out of the clutter and discord that make up our daily lives.

Organizationally, there is a lot to consider: loyalty between employee and employer more conditional than ever, economic hostages at an all time high, liquidation of human assets still a common means to short-term objectives and no end in sight. Very few will be hiring any time soon. It is an epic global change curve that we all ride together.

No one is immune to this new era, this no-normal version of growth, change, and relationships. Take a moment to reflect on what no-normal might then mean in your world. What are the current external events shaping *your* organization? How is *your* customer base evolving? Do you see *your* organization, or even your industry completely transforming in the not so distant future? How distant? This is the organizational impact of this new era. Let's shift to each of us as *people*—what about the *personal* impact of this curve on how we relate to ourselves and to each other?

The Technology Coefficient – Losing The Ability To Connect

Living in a no-normal world affects us collectively, and it hits us individually in a manner that can't be ignored. The powerful multiplier of personal impact is the technology coefficient.

Technology has shown itself to be perhaps the single greatest catalyst of the no-normal era. Indeed, it has transformed our very lives. We are all connected:

- There are almost 5 *billion* cell phones being used on the planet today, and they sent and received over 7 *trillion* text messages last year.
- There are 1.5 billion televisions, and 10 million *channels* operating globally. That could mean 240 million hours of programming being broadcast every day!
- Six weeks into the year, 50 million personal computers have already been sold.
- The first billion personal computers took 27 years to find their homes.
- The second billion PCs sold in only seven years.

The effect of a few lines of data is staggering! Five billion cell phones on a planet with fewer than 7 billion people. This means that over 70_percent of us have cell phones (90 percent in North America), and in many places around the world more young people own cell phones than books. Of those 5 billion cell phones, 1 billion are smart phones that have the computing power to integrate many other technologies. And, guess what? One in ten of us even have a second, "secret" phone we don't tell our family about.

The growth and development of this technology has paralleled our quest to manage information. Starting in the 1930s, massive advances were made with mechanical and electromechanical equipment that far outstripped our human ability to calculate information ourselves. From there, the era of electronics was born one piece at a time. Electromechanical technology gave way to vacuum tubes, which then in turn gave way to transistors. Transistors, and their miniaturization, allowed for integrated circuits. And the race was on.

Where will it all end? Those in the know believe that computing hardware capable of inexpensively matching the power of the human brain will be available in the 2020s. We will soon be able to buy hardware that mimics our own organic computing capacity for under a thousand dollars. And let's not stop at hardware – there's also software and *wetware* to consider. The role of application software began in the attempt to save us time and increase our productivity. While still true today, its role has expanded into *entertaining* us and *connecting* us as well! Some 75 years ago we might have averaged less than an hour a day on the 'technology' of the era – radio, records and movies. Today, with the addition of TV, DVD, MP3, computers, cell phones and the internet, our average media exposure has

exploded to an astounding 11 hours out of every day! And, how do we take in this media? The term wetware is an abstraction used in the computer world to describe our central nervous system...our brain. Operationally, technology *is* wiring directly into our lives and our brain. It wasn't long ago we could go hours without interruption. Today, barely minutes separate technology's successive intrusions into our lives. How about you, do you even use the on/off switch on your phone? Demographics don't seem to matter. We're *all* wired, we're all connected – electronically.

What does it all mean then? We know that hardware and wetware are irrevocably intertwined. Not only do we enjoy our electronic companions, most would agree that we now *need* them. We need this technology, and not just to satisfy some techno-addiction, but to simply carry on everyday life in a no-normal, no-<u>service</u> economy. There is no getting around the fact that most of us don't have the option of living without it. We don't. But let's bear in mind the price this technology exacts. The integration of hardware, software and wetware comes at a cost. The more we connect electronically, the less we connect personally. We are losing the ability to connect *with each other*. This is not conjecture; this is fact. The paradox is that along with the explosive rise in *electronic* connectivity, there has been a commensurate decline in *human* connectivity. We are losing the empathic connection between us, and *that* alone is the most significant individualized impact of the no-normal world. We are losing the ability to understand...and to care...about each other.

Based on research with over 14,000 college students over three decades, we know that people today do *not* connect with each other as they did 20 or 30 years ago. We don't *understand* in the same way; we don't *care* in the same way. Through 30 years of studies reviewed by the University of Michigan's renowned Institute for Social Research, we know that empathy remained constant from the late 1970s on. Then, in the year 2000 it dropped—*it crashed by over 40 percent*. In fact, narcissism was simultaneously tracked and the two are powerfully correlated. Not only are we focused less on understanding and caring about others – we now take that much greater an interest…in ourselves! That is the price we've begun to pay for the technology coefficient. Empathy, the human connector, is the casualty.

Implications In Leading

Global. Personal. Professional. What about the *professional* impact of no-normal? If you are reading this paper, you are responsible for the output of others; your profession is leader. And whether you know it or not, there is a storm coming. A perfect storm.

If you look back it is easy to recognize the symptoms of the decline of organizational loyalty. With the adoption of rightsizing as a survival strategy, it became a thing of the past. Think of those who went to work in their late teens. They worked hard for 30-plus years, retired by the age of 50, and enjoyed their pension years in comfort. Those same people are now in their eighties and have given little thought to money ever since. All was taken care of for them: cash flow, medical, dental, optical, for themselves and their families. Does anyone fit that description in your extended family? We're betting you're thinking of a parent, or more likely a grandparent, because it doesn't happen anymore.

How many will today retire at 50? How many companies can offer such comprehensive pensions and benefits? How many of us will work our entire careers for a single entity? Very, very few. The "greatest generation" example of one job–one career was supplanted by baby boomers that averaged 11 jobs between the ages of 18 and 44. Who knows where the averages will end up for generation X, generation Y, and beyond. Organizations can no longer provide full support to a worker for 60 or 70 years in exchange for 30 or 35 years of service. The economics are not sustainable. Period. A lifelong relationship between an organization and its employees is gone. On both sides.

Individual loyalty to the employer has taken the same hit. Loyalty in any relationship is *always* a two-way street. It doesn't matter which came first. The net result is transience, and it's growing. Last year, an average of up to 55 percent of employees worldwide expressed a desire to leave their present employer. The number of employees expressing sentiments of loyalty to their employer, even in companies in the "best employer" category, is dropping fast. So why don't employees leave? Here is where the pressure is building. In a down economy you get economic hostages. Often in a no-normal world of lower headcount and higher productivity, there *is* nowhere else to go. There *are* no other jobs; people *can't* retire or quit. Pressure is building. Employees want a change and can't make it happen. The talent exodus has yet to begin, but it will, and it's going have leadership implications for *you*.

This we know:

- Loyalty, to the organization and to the employee, is tenuous as best.
- Demographics are shifting, never have we experienced it so diverse.
- Economics are global, virtual, and continues to wallow short of recovery.
- Workforce dynamics continue to include the overwhelming shift to knowledge workers, the loss of organizational memory, and the taking of economic hostages.

This we know about no-normal leadership:

- 1. No-normal will force a higher quality of leadership than any other era in history. Until people are forced to be in a situation where they have to deploy superb skills, they will always find a path of lesser resistance. This is in fact overwhelmingly positive for two reasons. One is weeding out the bad leaders, because they wont be able to do the job. The second is really finding out who the great leaders are today.
- 2. Overcoming inertia within our teams after a long economic downturn will be key. In the words of the Harvard Business Review's number one leadership thinker, Marshall Goldsmith, 'Our default reaction to life is not to experience happiness, or to experience meaning, or be engaged. Our default reaction to life is inertia. We all tend to go where we've been going and do what we've been doing and say what we've been saying. The power of inertia is incredibly strong, and it's not just big things—it's in the details.
- 3. There is simply one answer to this leader's paradox: give yourself the freedom to *not* know all the answers. Leaders will have to learn to ask, not tell. You won't know enough to be the expert. Your interactions will be key, not necessarily your knowledge.
- 4. Effective leadership will mean keeping the people you want to keep. Learning how to give them what *they* want. The goal in no-normal leadership will be retaining three-

quarters of your primary talent – to keep 75 percent of your team intact, motivated, engaged...performing.

So What And Now What - Making Every Leadership Moment Count

No-normal economics, the empathy crash of 2000, and a perfect storm of challenges to effective leadership. We know we're losing the capacity to connect with one another, and perhaps in a world that runs at over 200,000 text messages per second we're losing the ability to even connect with ourselves. We're losing the capacity to reflect—to *learn_*from information we receive. You've received a lot of information. Let's take time to reflect right now. Perhaps two very simple questions can help:

- 1. So what? The first step in the art of reflection is to ask yourself, "So what? What makes it meaningful? Why does it matter to me?" Only you can determine the personal implications of what you've learned. Take a moment to consider how what you've read applies to you, to a leader within your organization.
- 2. Now what? This second query "What should I now *do* with this information, how *can* I effectively lead in a no-normal world?" is all about finding a way to integrate what you've learned into what you *do*. The answer lies within three directed leadership efforts: *ask them, target your influence, and follow protocol*.

Ask Them

Give yourself the freedom to *not* have all the answers, and understand that soon you won't know enough to be the expert. Learn how to ask and what to ask. Have the courage and confidence to ask and not tell. Find out what your employees want you to *know* and what they want you to *do*. No-normal leadership is all about asking. Not telling, *asking*. It comes down to allowing old paradigms to die their natural deaths, a new era requires a new view. Leader as engager—as enabler—is the role that will successfully navigate the perfect storm that is coming. Securing and maintaining the connection between the organization and the individual is our new role, and like our no-normal economy, that role has yet to gel as well. We don't know for certain what is coming and what will be required of us. We don't know enough to predict or control, if we ever really did. If we don't know, we will have to find out. To find out, we will have to ask. Simply put, asking makes us more successful at influencing others. Leaders who ask how they can be more effective, adopt the suggestions they can, and follow through on resolutions see all of their results improve. That is fact.

Last year, a confidential survey was undertaken to find out what our people want from us. 1,700 individuals, equally representative of every corner of the globe, and every possible level of organizational responsibility and experience. Four simple questions were crafted to find out what is already working, what is not working and what might work in leading others.

The four questions asked were:

- 1. If you could tell your boss *just one thing* about his or her leadership of you, what would you say?
- 2. In leading you, what do you want your boss to start doing?

- 3. In leading you, what do you want your boss to stop doing?
- 4. In leading you, what do you want your boss to *continue* doing?

Complete responses were received from nearly 1,700 people, providing approximately 7,000 written responses. These were not multiple-choice questions; they were open-ended. Some responses were short and sweet, while others went on and on. A data base made up of tens of thousands of words of feedback and suggestions was the result. How was meaning distilled from the data? *Text analytics*. Text analytics applies computer software (fighting fire with fire) to linguistic techniques in order to extract meaning from content. We've long been accustomed to business intelligence applying technology to crunching numbers, and within the last 10 years we've developed the technology to crunch text. In a nutshell, text analytics detects patterns, relationships, and even sentiment in any large body of text.

What do your people want you to *know*? The answer starts with a question for *you*. The first of the four survey questions was: *If you could tell your boss just one thing about his or her leadership of you, what would you say*? What would you guess was the incidence of purely negative responses? We don't mean constructive criticism. We mean negative evaluations. Take a second to think about it. Most people we ask this of assume that anywhere from 50 to 80 percent of the responses would be highly negative. In reality, only 7 percent of the responses were completely negative. Would you care to venture another guess as to the <u>number one</u> response to this question? Almost 1,700 people were asked what they would say if they could tell their boss just one thing about their leadership, and the top answer was, "Thank you." And, the second most frequent response? "Well done" or a mix of *appreciation* and *acknowledgment* for a job well done.

The overwhelming message around what your team wants you to know is that you do *not* lead an angry, disaffected workforce. If you were to believe only what you see and hear on TV, the Internet, or your local newspaper, you would think that the entire world was angry, demotivated. and disengaged. This is not true, at least not in the organizational setting. What you are hearing are the people with the microphones. The majority of your people, the *core* of your team, is waiting to be engaged. They are waiting to be asked, and the data support that conclusion. You will find out what they want you to *do* within the final section of this white paper. Before you do, take the second step. Prepare *yourself* for effective leadership.

Target Your Influence

You've studied the game, the rules, and the playing field. You understand the team, the players, and what they want from you. It's now time to fully prepare for the challenges that lay ahead: **your untapped talent**, *where* will you find it? Your core team members are waiting to be asked. Discretionary performance is theirs to give, and it's time to ask for it.

What you focus on expands. Period. If you spend your days listening to Rush Limbaugh, *The O'Reilly Factor*, and Sean Hannity, what will you tend to see more of? Socialist conspiracies? Liberal vendettas? The crumbling of the fabric of American values? What if you spend those same waking hours connected to Bill Maher, Arianna Huffington, and CNN? What would you

then tend to believe and espouse? The crying need for the wealthy to pay their fair share? Ruthless bankers and business executives taking unfair advantage? What we focus on expands, then why not target the highest payout at the *top* of the curve?

The tenet of a "normal distribution curve" has to do with probability theory and states that in most situations with a population of any real size, we can pretty much count on results being distributed across a bell-shaped curve. For just about anything in life—*including leadership*— normal distribution theory states that we can anticipate 15 percent at one extreme, 15 percent at the other end, and 70 percent falling somewhere in the middle. This tells us that in our groups, our *teams*, we'll have a small subgroup of performers at one extreme, another small group at the opposite end, and a very large group turning in performance that falls somewhere right in the middle. It stands to reason that if 70 percent of our people fall into a particular performance grouping, then that's probably where we'd spend 70 percent of our time and energy. Right? Wrong. Thousands of leaders have been asked where they spend the majority of their emotional energy and time; their answers invariably reflect a theme of: "*I spend way too much of my time with one or two 'problem children' situations that just won't go away!*" This is one end of the normative distribution curve. It's a very small group of people, but they can take up the majority of a leader's time and energy.

We mentioned that the incidence of totally negative responses to our survey questions was less than 7 percent? Only 6.8 percent of the more than 6,000 responses came from a problem child perspective. Perhaps the leadership curve carries a different shape. Let's look at the other extreme of our collective workforce. A high-potential employee is usually defined as an individual who has been identified as having what it takes to move up into more senior roles and responsibilities. The high-potential also receives a lot of attention, and perhaps for good reason. Consider first though, How big of a group is it? How important is this group of people? In the Harvard Business Review or the Society for Human Resource Management, the consensus seems to be that the high-potential employee represents only 2 to 3 percent of a workforce. On top of that, on any given day, up to one-third of them are already actively seeking employment elsewhere. This extreme of the leadership bell curve also takes on a different slope. We're leading at the ends of the curve, and a no-normal world won't allow that. Shift your focus to the top of the curve. In practice over 90 percent of our capacity is maintained by very little of our attention. What might we achieve by taking on a new leadership focus? Over 90 percent of our capacity is waiting on us-waiting to be asked, waiting to engage.. The core of your team is waiting for you.

Follow Protocol

The results of global research were presented as to what your team members want you to *know*. The simple truth revealed was that *your people aren't angry*; they are waiting...waiting for you to engage them. The question arises, did a second simple truth appear in what they want you to start, stop and continue <u>doing</u> in leading them? The answer is yes – *there is power in protocol*.

You can define 'protocol' as an accepted code of behavior, a prescribed approach for correct conduct or action, or a set of conventional principles and expectations. A living example would be a physician's protocol when interacting with patients with

compromised immune systems. The protocol calls for disinfectant, gloves and masks before any contact with a patient. These actions are universally accepted in preventing or avoiding infection and complication. What then are the accepted principles and expectations for a leader's conduct or action? The study revealed a triad of expectations. Your people want three things, and following this leader's protocol is key to preventing disengagement in your team.

Communication-Feedback-Autonomy

Communication...feedback...autonomy – these are the expectations of your team members, and in meeting them, how you can create capacity without headcount. Employees from Singapore to Syracuse were asked about what they want from their boss. Using text analytics on hundreds of thousands of words, new rules of engagement were uncovered for a no-normal world.

Communication

Your first consideration when someone knocks on your office door and asks, 'Got a minute?' lies in understanding and responding to the communication needs that exist at that moment with that particular person. Two questions might help you do just that:

1. What is the *purpose* of your communication? There are really only three reasons to communicate; relate (to establish or maintain association), influence (to sway or have a desired effect), or inform (to transfer knowledge or provoke awareness). Try setting a target for the purpose of your communication before you speak.

2. What <u>style</u> of communication would be most effective? The easiest taxonomy to use is that of simply extrovert versus introvert. If you're talking to an introvert, try being a little quieter yourself. If that person is an extrovert, try to open up just a bit. The rules of engagement are simple. Understand <u>your</u> purpose, adapt to <u>their</u> style.

Feedback

Their voice is clear – they want to know how they're doing! They want to know what you think. They want feedback, and they want it from *you*. Don't forget that feedback can take on two forms; both process and praise, and they're both important.

Process – When you're addressing process, three words are relevant in the moment: quality, quantity and time. Quality means, are they meeting your specification as to how well it needs to be done? Quantity invokes a number, a metric. Are their numbers made or missed? And, time is a reflection of performance with respect to deadline. Are they first or last, early or late?

Praise – When offering praise, three words are also relevant: effort, contribution, and growth. When offering praise, target your words. Effort is about energy, intensity, and exertion. Contribution is about either personal output or impact on of others. And, finally,

praise centered on growth is about improvement. You know your people. You know their work. Is a given moment best spent on process or praise – or both?

Autonomy

This last element of follower need in a leader's protocol is autonomy. Followers care about independence, responsibility and the freedom to make decisions (and even mistakes). Indicators of autonomy weigh heavily on the minds of your team members. They think about it, a lot. In response, you should be thinking about ownership and exit.

Ownership – The central question is, can their efforts be self-directed, and what is your own degree of reluctance to let go? Key to making this call is clarity around the nature of the task involved, and the authority to act. Strangely enough, <u>their</u> autonomy is in <u>your</u> hands. Remember that. Act on that (or allow them to).

Exit – the second consideration in letting go is having a conscious exit strategy *to get you out of their work*. To do this, understand two concepts; data and delta. Data has to do with facts, statistics or information used as your basis for decision-making. What metric do you need to see to be able to let go? The word 'delta' signifies change. Look for change in their performance that demonstrates a new level of mastery, however incremental the change. We can almost always spot growth – but only if we're looking for it. Let your exit strategy match the pace of their competence.

In closing; there is no normal. We can hardly connect with ourselves, let alone with others. A higher quality of leadership than ever before has to evolve. Asking, not telling. Finding out what our people want us to know and to do. Then targeting our influence to where we can achieve the highest return, yet following a proven protocol to ensure a high probability of success. This is the way to make every leadership moment count. This is the path to creating capacity without headcount.



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