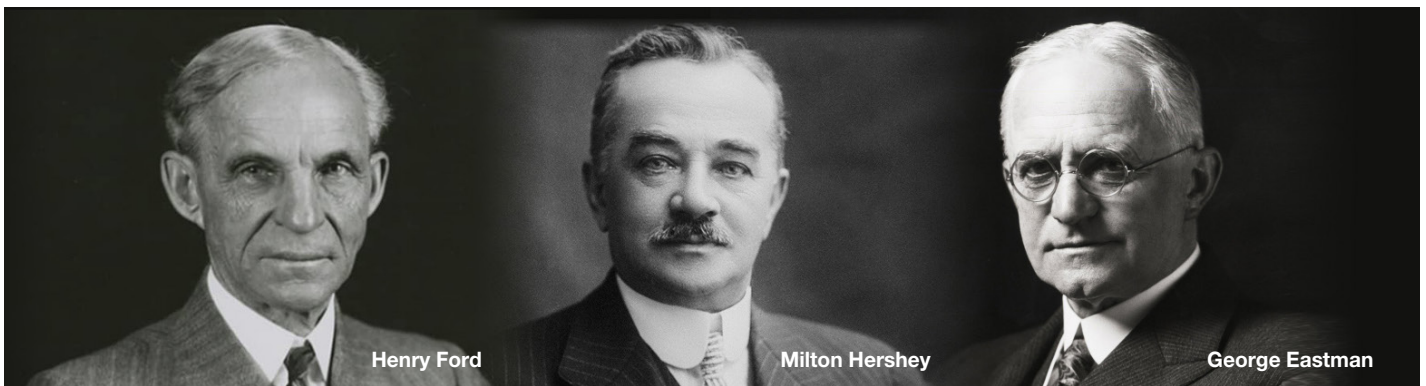


Is caring for your employees enough?



Understanding the essence of people-centric leadership

BY LISA WEIS, IN COLLABORATION
WITH CINDY KNAPP

If we look throughout history, there are numerous examples of leaders and organizations who fundamentally cared for people and recognized that the key to a thriving organization was dedicated and happy employees.

In 1914, Henry Ford astonished the world by offering a \$5-a-day wage that was more than double the rate of most workers then. In 1926, Henry Ford again revolutionized the industrial world with the introduction of the reduced 8-hour, 5-day work week. (Wouldn't it be nice to get back to that today?)

Milton Hershey, founder of Hershey's Chocolate Company, placed the quality of his products and the well-being of his workers way ahead of his profits. He believed that providing better living conditions for his employees helped them become better workers. Hershey conceived of building a community that would support and nurture his employees. Developing the community became a lifelong passion for him and, in 1906, he actually built an amusement park, Hershey Park, so that his employees and their families would have a place to go on their time off. (I have yet to have an employer who has built an amusement park for my family and me!)

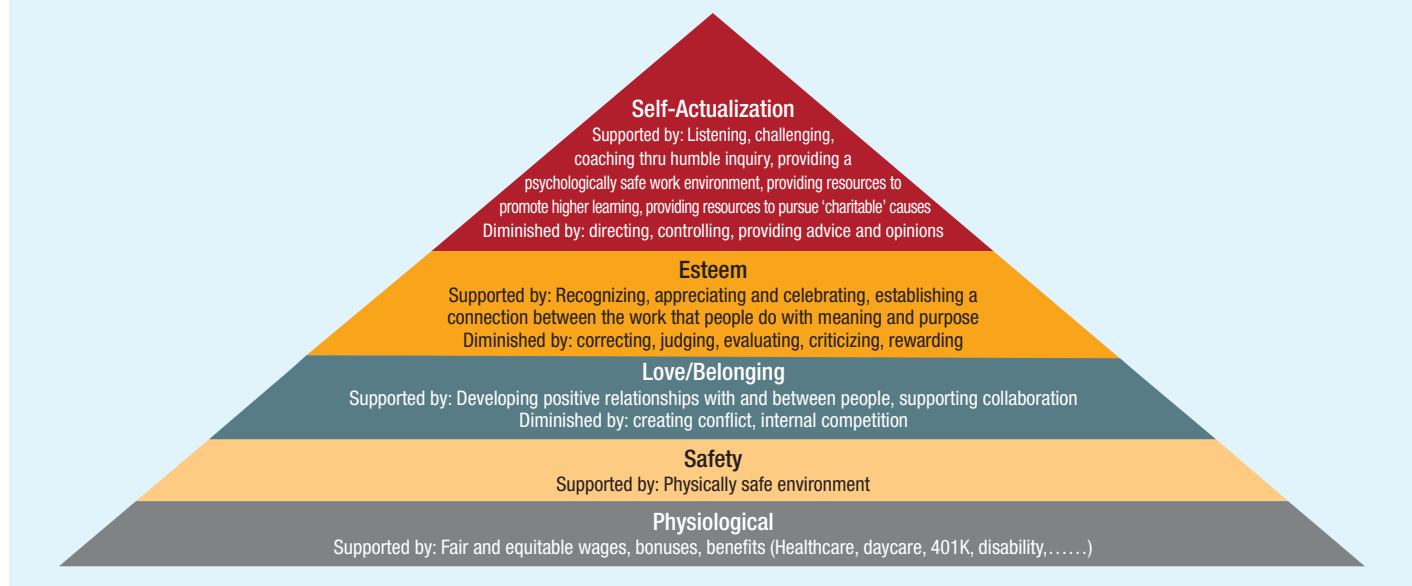
Then there is George Eastman, founder of the Eastman Kodak Company and philanthropist, who felt that the prosperity of an organization was not necessarily due to inventions and patents, but more to workers' goodwill and loyalty, which in turn were enhanced by forms of profit sharing. In 1899, he distributed a substantial amount of his own money to all of his employees and later set up a

"Wage Dividend"—an innovation for its time—in which all employees benefited above their wages in proportion to the yearly dividend on the company stock.

One of Eastman's basic business principles was "to treat employees in a fair and self-respecting way." He believed that employees should have more than just good wages. In 1919, Eastman gave one-third of his own holdings of company stock to his employees. Still later came the fulfillment of what he felt was a responsibility to employees: the establishment of retirement annuity, life insurance and disability benefit plans.

These are just a few of the examples of leaders who truly cared for their employees and were well ahead of their time in terms of their business practices and social philosophy. There are many examples today as well within the AME and documented in books such as "Good Business," by Mihaly Csikszentmihalyi; "Firms of Endearment," by R. Sisodia and J. N. Seth; and "Conscious Capitalism," by J. Mackey and R. Sisodia.

RELATING PEOPLE-CENTRIC LEADERSHIP AND MASLOW'S HIERARCHY OF NEEDS



How does people-centric leadership compare?

AME defines people-centric leadership as a culture in which every day, everyone goes home feeling fulfilled by pursuing excellence and everybody flourishes. A feeling of fulfillment and flourishing, for the most part, is the result of our everyday interactions with other people and the work that we do. As Deming noted, "All anyone asks for is a chance to work with pride."

In order to ensure that both the individual and the company flourishes, people-centric leaders must continuously balance the needs of the organization with the needs of the individual—and it is not always equal. Sometimes the balance swings in the direction of the worker and sometimes in the direction of the organization. However there exists a symbiotic relationship between the two.

As Csikszentmihalyi, professor of psychology and a leader in the positive psychology movement, states in his book "Good Business," "Good managers realize that one of their main tasks is to provide increasing variety and

challenge to their workers to prevent stagnation. One way to do this is through growth of the business itself."

In this book, Csikszentmihalyi draws on the experiences of exemplary socially conscious CEO's to show how work can provide meaning and be one of the most fulfilling aspects of life for the workforce, while at the same time driving financial success for the organization.

So how does a people-centric leader meet the needs of the individual? If we define the needs of the individual based on Maslow's hierarchy of needs (see illustration), at the bottom of the hierarchy are physiological needs. Leaders and organizations meet these needs by providing fair and equitable wages, bonuses and numerous other benefits such as healthcare, on-site daycare facilities, 401K, etc.

This is followed by safety, which is met by providing a physically safe environment in which every day, everyone goes home healthy and well. Meeting these basic needs are the more tangible aspects of creating a people-centric culture, but does not necessarily create

an everyday feeling of fulfillment and flourishing, as defined by the AME. In order to accomplish that, we must move further up the hierarchy.

Relating people-centric leadership and Maslow's hierarchy of needs.

Further up in the hierarchy, helping people meet their higher-level needs presents more of a challenge. Creating a workplace that promotes in employees a feeling of belonging and high self-esteem—and that leads to self-actualization—depends on leader behaviors.

Modeling people-centric leadership

In the book, "Turn this Ship Around," Captain L. David Marquet tells the story of how he assumed command of the Santa Fe and transformed it into a top performing submarine. He did so by establishing a "leader-leader" approach that leveraged the knowledge, skills and abilities of the entire crew—which made the crew feel that they mattered.

Marquet was originally assigned to the Olympia and had spent 12 months learning everything about it. His orders

were changed, and he was reassigned to the Santa Fe. He had only two weeks to learn about the Santa Fe before taking command. Marquet now says that being assigned to the Santa Fe instead of the Olympia was a gift, because it was this unique experience that allowed him to become the leader that he became.

Marquet didn't have the knowledge he needed to run the Santa Fe in the traditional command-and-control manner—and both he and his crew knew it—so he didn't have much of a choice. So, this begs the question: How do you convince people who are not given this

unique experience to make the choice to become a people-centric or intent-based leader? Maybe this is the wrong question to be asking.

What keeps leaders from being people-centric?

If we look at businesses today, what happened to Marquet is not unique; it is the norm. Have you ever been given a new position where before you even started you were given 12 months to learn everything about the position, processes, products and organization? If you get 12 hours you are lucky.

(Ironically this is probably a best practice for developing people-centric leaders.) Almost all leaders assume their role with as much or less knowledge than Marquet had when he took over leadership of the Santa Fe. So why don't they all become people-centric leaders?

When leaders assume their responsibility, the prevailing belief and expectation is that they have superior knowledge to infuse into the organization. (That's why they get paid the big bucks.) The organization expects that their knowledge and experience will improve the organization or, at a minimum, keep it moving in a

ONE COMPANY'S PCL JOURNEY

In 2009, Justin Tanks, a small manufacturer of large fiberglass tanks, began to feel the full impact of the economic downturn. Ed Short, president of the company, was determined to keep all his employees during this difficult period. Instead of laying people off, he instituted periodic shortened work weeks for all employees while maintaining full benefits, including their 401k. As a result, all employees remain with the business today and critical talent was not lost.

In 2016, Short and some of his leadership team attended the AME People-Centric Leadership 101 workshop and the Listen Like a Leader class. Through these experiences, Ed realized the potential impact of creating a culture that extends beyond meeting the basic needs of employees. As a result of developing a deeper understanding and acceptance of others, Justin Tank's leadership team now interacts in a more open and productive manner. The leadership team:

- actively listens to people and their ideas with acceptance and without judgement, which allows more ideas to be explored and successfully implemented;
- works to understand and appreciate the unique behavioral tendencies of each individual;
- strives to communicate in a way that meets the needs of the listener; and
- makes decisions by taking into consideration what is best for the entire organization, as opposed to demonstrating control and power.



From left to right: Ed Short, president of Justin Tanks, with his leadership team, Pam Smith, Michele Seeley and Jason Hoffman.

Short says this new way of behaving has set the stage for successful continuous improvement and growth for the business, leadership and workforce.

As he notes, "We have just scratched the surface in developing this culture. Looking back at how we began our continuous improvement journey, we should have focused on developing people-centric leaders."

“ Looking back at how we began our continuous improvement journey, we should have focused on developing people-centric leaders. ”

ED SHORT, PRESIDENT, JUSTIN TANKS

steady direction. People who report to the leader expect the leader to demonstrate competence. This is necessary to build trust and respect. If the leader does not demonstrate competence, it is viewed as a deficiency, a sign of weakness. If every time we went to our leader with a problem or question and were directed to solve the problem on our own, we would inevitably question the leader's ability. Given this current perception of leadership, most leaders do not feel psychologically safe to expose their vulnerability the way Marquet did. So maybe we not only need to shift the paradigm of how great leaders lead but also how great leadership is perceived by the people who are being led.

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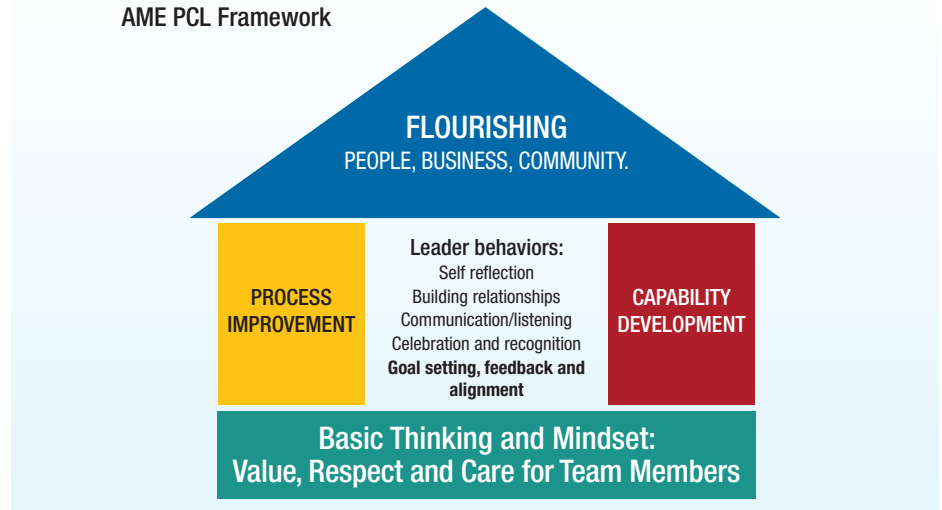
We live in a culture that values dominance, control and power; a culture that idolizes the superhero. If a people-centric leader is, in fact, not the superhero, but the person who brings out the superhero in all of us, how do we shift this perception in the people being led? Don't we need to educate everyone, not just the people at the top?

Why leaders shouldn't provide all the answers

When leaders give advice, make a correction or recommendations or provide solutions, they are often trying to be helpful, because they care. They want what's best for the employee and for the organization. The problem is that when leaders offer someone “help,” they put themselves above the person they're helping; they are essentially saying ‘I know more than you.’

Unfortunately, the leader may in fact not know, and probably does not know,

AME PCL Framework



what is best for the employee or for the organization. The leader is exerting their power, which causes employees to feel frustrated, resentful and demoralized. As a result, employees shut down their brains, which puts more pressure on the leader to continuously supply the answers. This is inefficient and is the exact opposite of what we want. (This phenomenon is well documented in Edgar Schein's book “Helping.”)

Instead, leaders must ask questions through humble inquiry. Such questions promote higher-level thinking and a deeper understanding of the situation or problem. Eventually, consistent questioning and coaching will inspire workers to begin asking questions themselves, which leads to collaboration between workers and the leader, resulting in knowledge creation and innovation. The challenge lies in learning how to coach and ask questions in a way that will result in this outcome.

It is a lot easier for the employee if the leader just answers the question, even if it is not “the best” answer. Unfortunately, when the employee is given the answer, all learning, creativity and innovation ceases. Their minds shut down. Power is taken from them.

But before we are able to embrace this new way of thinking, we must understand what's in it for the people involved, both

the followers and the leaders. The people being led will be challenged to think more, solve problems and take on greater responsibility. The leaders will take on the role of coach and facilitator. Instead of correcting, giving advice and making recommendations, leaders will need to humbly ask questions that will engage people's minds and tap into the deep knowledge they possess. The leader must listen without judgement and with acceptance and the belief that the people doing the work know more about their work than the leader. This requires tremendous humility, vulnerability, patience and courage on the part of the leader. However, these new behaviors on the part of both followers and leaders create the conditions in which people attain the sense of belonging, high self-esteem and self-actualization.

Why PCL matters

Why is this so important? The reality is that in today's world, problems are complex, and we need to enlist the knowledge and talents of everyone in order to solve problems and innovate.

When my oldest son was four-and-a-half years old, he developed a prominent rash and began to exhibit declining muscle strength. Following an appointment with his pediatrician, we were immediately referred to a neurologist at the local children's hospital. We had an appointment the following day.

The neurologist came in with his team of interns and for 15 minutes examined my son, ordered some blood tests and sent us home. The next day, he called and told us that our son had muscular dystrophy and set up an appointment with the appropriate clinic for him to receive final diagnosis and treatment. The appointment was four weeks out. We were devastated.

Muscular dystrophy is a relatively slow progressing disease that exhibits itself early in childhood development and is not accompanied by any type of rash. My son's symptoms occurred relatively quickly and the rash exhibited itself in conjunction with the muscle weakness. All of these things, we communicated to the neurologist.

Through research of our own, we concluded that our son had dermatomyositis, a disease in the muscular dystrophy family that is treated by rheumatology. With the help of our pediatrician, we immediately got our son to a rheumatologist who diagnosed our son with dermatomyositis and began treatment that day.

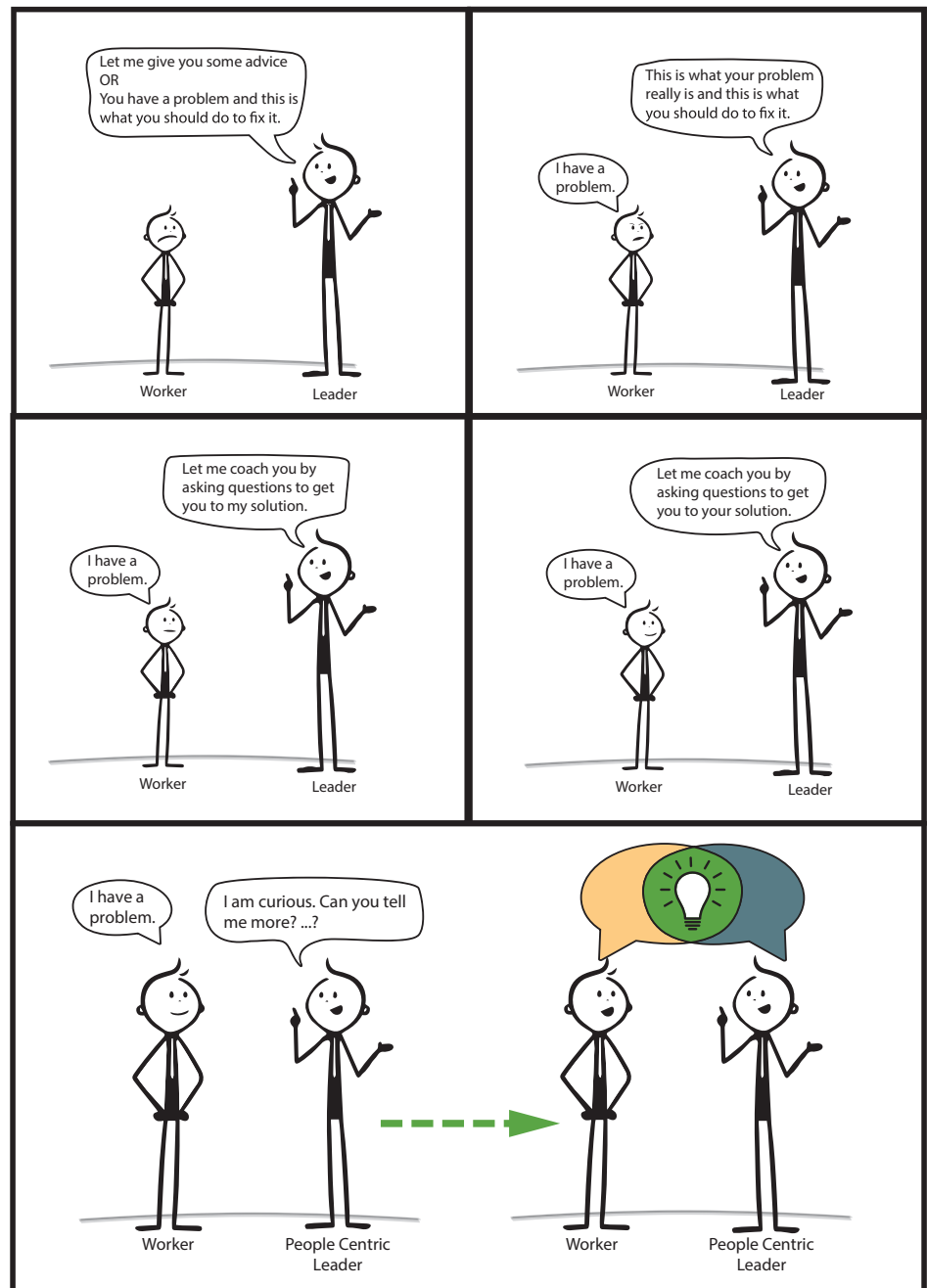
Our rheumatologist listened intently to the information that I had about our son's condition. Throughout his course of treatment, whenever there was a change of medication or dosage, she collaborated with me and we made these decisions together. Although she had the medical knowledge, I had the information on his health, every day. The knowledge that we both possessed was needed to solve this problem.

The role of the people-centered leader

If it's not to tell people what to do and give all the answers, what is the role of the leader in a people-centric culture?

At a fundamental level, the role of the leader is more of a facilitator and teacher than a director; it is to lead the development of processes and systems to support continuous improvement, develop capability through people-centric coaching, and establish systems to solicit input and communicate strategies and plans throughout the organization. This includes asking the right questions and understanding where the knowledge resides in the organization

Leadership Approaches to Developing People



in order to bring together the right people to solve problems and innovate. The leader also is responsible for identifying and closing knowledge or capability gaps in the organization. Ultimately, the effectiveness of the leader is predicated on their ability to develop and cultivate relationships.

How to change the leader-follower equation

In a people-centric culture, we want the leaders to behave in a way that is fundamentally different from our cultural norms, and we want the associates that work with

If we are going to change behavior we must begin with the values and thinking that drives behavior and causes both leaders and followers to choose to behave in a given way. People-centric leaders fundamentally believe that no one person is better, more important or has better ideas than anyone else. We are all one of seven billion people on the planet. We all have different knowledge skills and abilities, as well as different roles and responsibilities. Value, respect and caring for team members is core to this thinking.

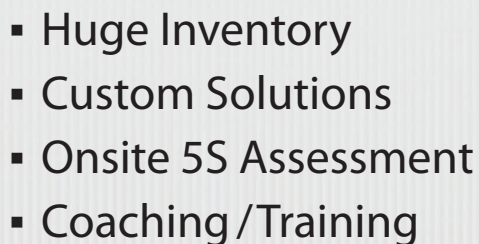
In order to support progress along this

The journey of becoming a better people-centric leader begins with asking ourselves the question: What kind of leaders do we want to be? What impact do we want to have on those we work for, those we lead and those that we work with? Choosing to be a people-centric leader then requires that you deeply care about the people you lead, and believe in their dedication, skill and knowledge to continuously improve their work. Then it requires you to change your behaviors from the traditional command-and-control to collaborate-and-coach. That means we must:

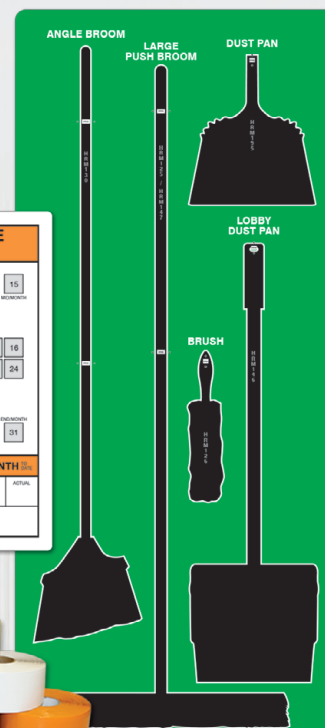
- Continuously self-reflect on the impact our behavior has on others and adjust accordingly

- So, is it enough to care about our employees? Ironically, caring by itself can lead to behaviors that will create a culture that shuts down peoples' knowledge and creative skills and leads to more work and a higher dependency on the leaders or critical few. While caring is necessary....it is not enough. ●

Lisa Weis is a people-centric, lean/continuous improvement expert, with over 20 years of demonstrated success in helping hundreds of public and private organizations achieve their vision and meet their strategic goals. She also is an AME mid-Atlantic board member and is the lead for curriculum development for the AME people-centric leadership initiative.



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