

WHY PEOPLE AREN'T YOUR GREATEST ASSET

"What did you say?" "How dare you!" and "Blasphemy!" are probably a few of the things our friends in the HR and OD community are saying right now. Before the hate mail and comments start, at least let us explain our thoughts and then you can comment away!

The phrase, "people are your greatest asset," has been so recklessly thrown around over the past few decades that it now belongs in the useless phrase trash bin along with the likes of "world class" and "customer focused" to name a few.

Sure, the terms sounds good and it makes people feel good but when it comes to execution, what does it really mean and how does it translate to action? If you ask many leaders this question, you may hear crickets in the room!

What We'd like to do is build a case for changing this meaningless phrase into an action statement that better represents the real challenge. That statement is:

What has to happen BEFORE people can BECOME your greatest asset.

We've read many articles over the years that say if you have the "right" people and you empower them that great things will happen. We don't disagree this is critical but it is only telling part of the story. For example, if they have no clear direction, no competitive edge or no strategy, what are the "right" people empowered to do? They may work very hard to deliver something that has no value in the marketplace. A more holistic approach is needed to unleash the power of your people.

We believe you must intentionally **Design** and **Align** your organization for success before people can truly **Deliver** intentional results. This holistic approach is your greatest asset! People are critical to success but minus a holistic approach, their work can actually become a liability. Here's what we mean by that:

DESIGN

Mission & Vision - your organization must be crystal clear as to why it exists (mission) and where it is heading (vision). People need to connect with the mission and be inspired by the vision before they can fully engage.

- Do your people know the mission and vision and are they inspired to do their best to achieve it? Are they short enough (10 words or less) for everyone in the organization to know it by heart or do they read like a press release?
- Your vision and mission need to be clear so you can intentionally hire people that already connect to it before they start work.

Leadership - The leader and leadership team must be aligned and committed to the mission, vision and strategy. If not, conflicting agendas may be pursued which could be detrimental to the organization. If people are confused as to what the organization is trying to accomplish and how they can contribute to it, it's not likely that you'll realize the true potential of your people. In many cases it can feel like the "blind leading the blind."

Also, a toxic member on the leadership team can bring an organization to it's knees. If left unaddressed, you may lose all of your best people.

Competitive Edge - We are amazed at how few organizations can clearly and consistently articulate their competitive edge or what they aspire for it to be. This needs to be clear before you decide the culture you want to build and the strategies you need to leverage your edge. Your people need to understand this edge so they can determine the best activities to invest their time and energy. If people are working on the wrong things, the efforts become a liability.

Culture - The culture you build needs to align with the mission, vision and your competitive edge. Your values must align in order to build a culture that supports it. For instance, if speed and flexibility are your competitive edge then your values, policies, processes, organizational structure, rewards and accepted behavioral norms should foster speed and flexibility. Many times, we find the majority of these cultural components conflict with a company's so called, "competitive edge."

For example, the "edge" is supposed to be speed yet no one is empowered to or has the authority to make decisions or you need four signatures for a \$500 expenditure. People will not be a great asset if cultural components are misaligned

ALIGN

Strategy - It's really hard to develop an strategy for success without a clearly articulated vision. Yet strategies are developed all the time that do not align or connect to a clear vision. Your people need to participate in developing strategies and buy into the agreed upon approach. Leadership needs to

clearly articulate the strategies and make sure they are communicated at all levels. They need to be communicated in a simple and concise manner so everyone can see how what they do matters to the success of the company. Employees that buy into the strategies and know how to impact them will be more engaged and deliver more value.

Process - Now that the design is clear and the strategies have been articulated. You must make sure you understand what your core processes are and which ones have the biggest impact in executing your strategies and delivering your competitive edge. You should have your best people in the processes with the biggest impact and most opportunity. That's when they will become your biggest asset. We see too many organizations put their best people on their biggest problems, not opportunities. This results in underutilizing your most valuable asset. If processes are not core to your business or don't add value, you should try one of the following approaches:

- Eliminate
- Automate
- Outsource

Structure - The organizational structure and infrastructure that supports the business should be developed after the design phase is complete and after the strategies are developed. There are no "right" organizational structures or infrastructures. There are only the ones that are right to support the culture and enable the achievement of a vision through the agreed upon strategies.

Your people need to be organized in a way that enables, not hinders, their success. Many organizational structures are outdated or evolve negatively over time. In a vacuum, one-off changes may make sense but when you look at your structure holistically, your organizational chart may look more like a spaghetti thrown on a wall. It becomes impossible to show how it supports the vision, edge, culture and strategies. People can't be your greatest asset without aligning your structure to your design.

Measurement and Rewards

Here is where we see the most failures in alignment that really limit the ability to maximize the potential of your people. Look at your metrics in monthly reporting and heighten your awareness as to what behaviors are rewarded and recognized. Here are some examples:

- A leader says that values are important but there is no weight given to living the values on a performance review and there are no consequences for "bad behavior" in the workplace as long as the person's "numbers" are good.
- A leader says they want to be an "innovator" yet there are no metrics on revenue from new products less than two years old and no tracking of projects that focus on innovation. Also, no funding is set aside for "wild ideas" that may lead to breakthroughs.
- A leader says they value speed yet many decisions are sitting on his/her desk because they won't empower others or allow them to do the job they were hired to do. The leader then refuses to recognize that THEY are the reason for the delays.
- Bonuses are given purely on financial metrics with no consideration given to developing others and building strong teams.

People's behaviors and company culture are heavily influenced by rewards and recognitions. Misalignment can sabotage the best laid plans.

DELIVER

If your DESIGN is right and you've ALIGNED your organization to that design, now it's time to get it done. An environment has been created that enables intentional success and now everyone needs to do their part to achieve the desired results.

The leadership is doing its part but now people need to step up and execute. The key to the DELIVER phase is day to day execution and accountability. This is the hardest part and it's where you'll find out if the efforts in the DESIGN and ALIGN phases unleash the power of your people to deliver amazing results.

There's a lot of thought and planning that goes into building an organization so that people can **BECOME** your greatest asset. In closing, ask yourself these questions:

- How strong is your organization's DESIGN (Vision, Leadership, Competitive Edge and Culture) and how clear is it to the rest of the organization?
- Do you ALIGN (Strategy, Process, Structure and Measures) in ways that support and enable your design?
- Do you have the day to day discipline to DELIVER intentional results and hold people accountable for them?

Whether you agree or disagree, let's start a discussion. Discuss with your teams and gather different views and perspectives.