

# The Alternative View

MARCH 2019

## 5 Strategic Tips

FOR LEADERS TO TRULY  
INCREASE ROI ON PEOPLE

## Tips For Hiring

THE RIGHT PEOPLE FOR  
LEADERSHIP ROLES

## The Leadership Issue

OUTPERFORMANCE THROUGH BETTER ALIGNMENT

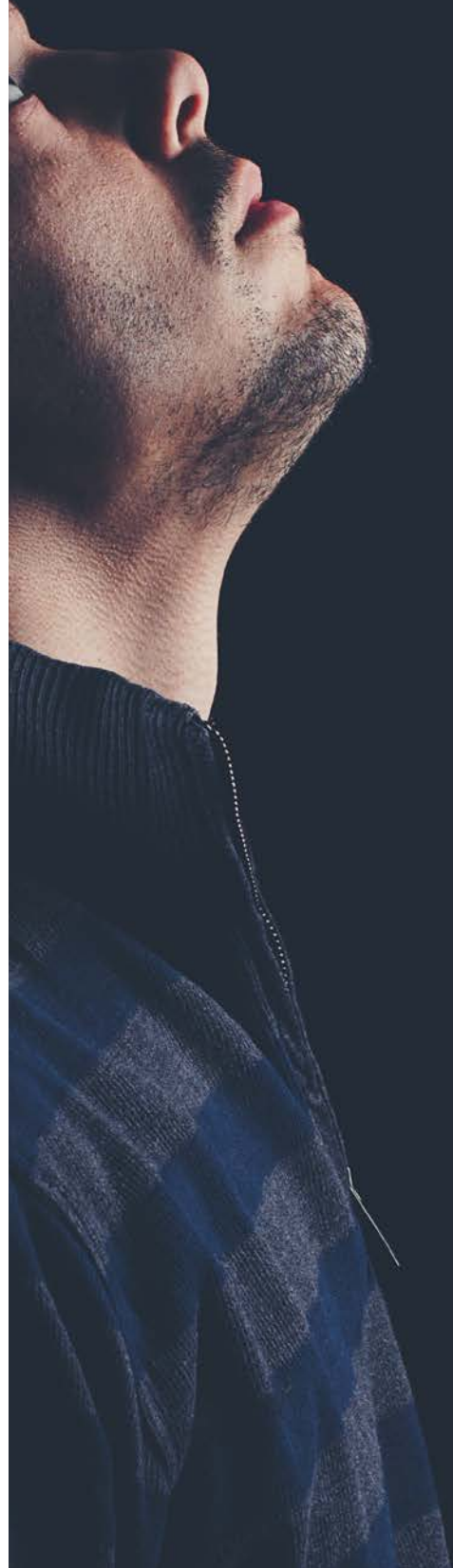
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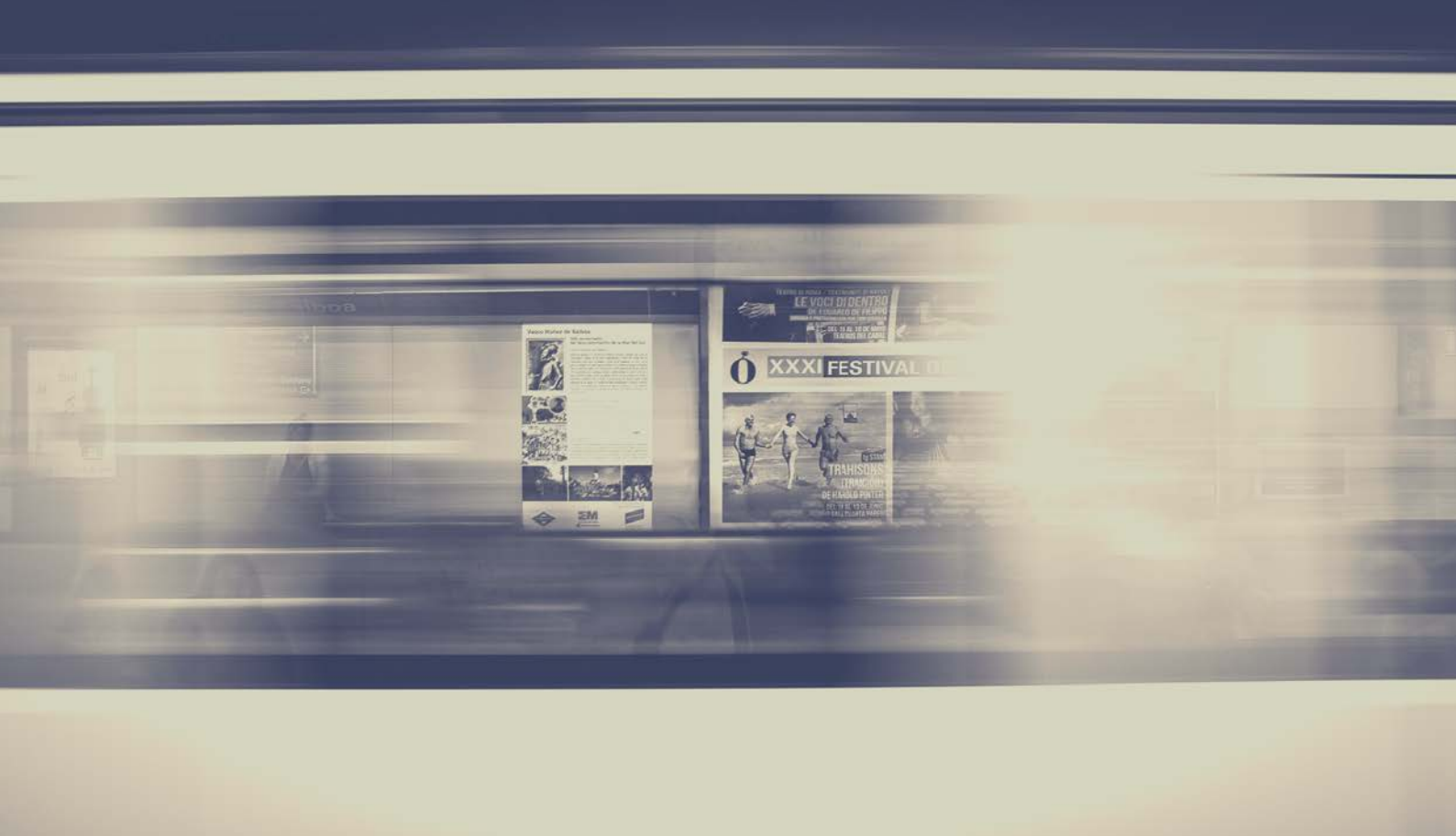
## 5 Strategic Tips for Leaders to Truly Increase ROI on People

Boosting business performance through true alignment

## Tips for Hiring the Right People for Leadership Roles

Better results through better leaders





# editorial

VIRGINIA MCMORROW

On behalf of the Leadership team of sparkChief & Co., welcome to the first issue of sparkChief Quarterly **Alternative View** eNewsletter!

The first article of this initial issue explores the need for brand new approaches to increase ROI on people. With the right approach, leaders can harvest the best in people and establish a sustainable growth path to outperformance.

The second article discusses the new attributes of leadership and what we should look for in people who aspire to leadership roles.

The message is simple: To move forward and be innovative, we must empower a new kind of leadership that leads to growth for all stakeholders.

sparkChief approach offers the first step along that long journey!

If more of us  
valued  
transparency  
and cheered  
personal  
leadership, it  
would be a  
happier world.

A MESSAGE FROM  
THE SPARKCHIEF TEAM



# 5 Strategic Tips for Leaders to Truly Increase ROI on People

BOOSTING BUSINESS PERFORMANCE  
TRUE ALIGNMENT

Whether or not corporate funds are abundant, leadership should always focus on the importance of optimal resource allocation in ways that will garner and sustain the most profitable results in terms of revenue, shareholder expectation, and employee growth. Throwing money at traditional human resources systems and approaches that have been proven to fail or temporarily succeed until removed from the equation (e.g., short-sighted reward programmes) is not the answer to ensure sustainable alignment of employees with corporate strategies and goals.

That said, the answer lies elsewhere. A key ingredient of success for your leadership team is getting to know and understand the true needs and desires of your workforce. Possessing and using this knowledge appropriately, in conjunction with stating clear company goals, can prove beneficial to all stakeholders.

Yet, many leaders fail to understand the real needs of employees or often overlook their true intentions and desires. This lack, unfortunately, can lead to the long-term detriment of the organisation, countless

unnecessary inefficiencies, and a significant risk to its viability and success going forward. To truly maximise returns on people, leaders should focus on investing time and effort in the following five areas to facilitate sustainable organisational growth and to outperform competition – while simultaneously engaging with, and motivating, their employees.

## **1) Invest in Transparent People Management Practices**

Many organisations face a serious issue that involves the lack of transparency in people management practices with regard to calculating actual costs or, indeed, making little or no attempt to search for the true impact of nontransparent decisions. Such a lack of transparency triggers extensive hidden costs that typically take the form of wasted resources, financial expenditures, and lost time for all parties – from the employee to the leadership team to shareholders – thereby adversely impacting the organisation and its stakeholders. Hidden or not, these costs take a toll on all of us as we continue, over and over, to pay them.



The more transparent organisations become in their people management practices, the more opportunities they have to outperform – and outperform well. Transparency is in the DNA of what is happening across many management domains today as leaders struggle with the issue. The only way we can make people management more transparent is by becoming more transparent in our decision-making process. In other words, business leaders need to be more clear and honest in objective setting, performance reviews, career development, engagement, reward decisions, promotions, and so on. If we continue to keep these practices opaque and mysterious, we will never achieve any real progress in maximising returns on people. In effect, management fairytales will continue to prevail and remain a significant barrier in our efforts to improve organisational performance.

## **2) Focus on the Small Data (Common Sense) to Get the Big Picture**

In a world where data is abundant, the best thing we can do is to learn how to find, choose, and use the information that is relevant to what we are trying to achieve. Relevant information should be unbiased, objective, and advantageous for all stakeholders.

Although relevant information always stares us right in the face – in the form of “common sense” – perversely, we have an enormous ability to ignore it because of our self-interest. That recognition may explain why we have so many leaders “who know, but don’t act.” As Annette Simmons says in her book *The Story Factor*:

*“Facts are neutral until human beings add their own meaning to those facts... The meaning they add to facts depends on their current story. People stick with their story even when presented with facts that don’t fit. They simply interpret or discount the facts to fit their story. This is why facts are not terribly useful in influencing others. People don’t need new facts – they need a new story.”*

So, instead of spending an enormous amount of time and money to justify what you think is true with big data, you should instead focus on listening to the true and sincere stories your people tell you. These truths are less costly, more efficient, and amazingly reliable on the aggregate.



### **3) Build Trust Among Your People, and Don't Throw Their Trust Under the Bus**

Trust is a very difficult currency to earn, and you typically own it once. Not many people know how to earn it or, perhaps, even what it entails. Not only does it take time to build trust among people, it is very easy to lose if you don't know how to invest it – especially when it comes to building trust with employees.

Beyond earning and keeping trust is another issue of significance – that is, the misuse of that hard-earned trust. If you share a good relationship with your employees, and then neglect and/or misuse their trust, it is almost impossible to regain it. Once you break the “trust contract,” no matter what attempts you make afterwards to prove trustworthy, you will have to make an enormous effort and expend significant resources. And even with that endeavour, the attempt may fail. People are slow to trust again – understandably so – once they have been “burned” by so-called trusted individuals, particularly leadership.

Understanding this point about human behaviour, managers should keep in mind that it is an essential trait of successful leadership to cultivate, earn, and retain employees' trust.

### **4) Don't Tolerate and Unknowingly Reward Self-Interest**

Nothing good, so far, in the history of human kind, has emerged from serving the interests of only a few individuals rather than the common good. Your business is no exception and should be based on the interest of all stakeholders rather than the self-interest of a few. This approach is the only way to mobilise the efforts of all contributors to maximise returns for all. After all, if only a limited number of people benefit from organisational activity, the resulting impact on the majority of your workforce is likely to prove negative in terms of reduced motivation, poor morale, increased absenteeism, poor productivity, and more.

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### **5) Focus on Getting “Only” the Right People to Do the Job**

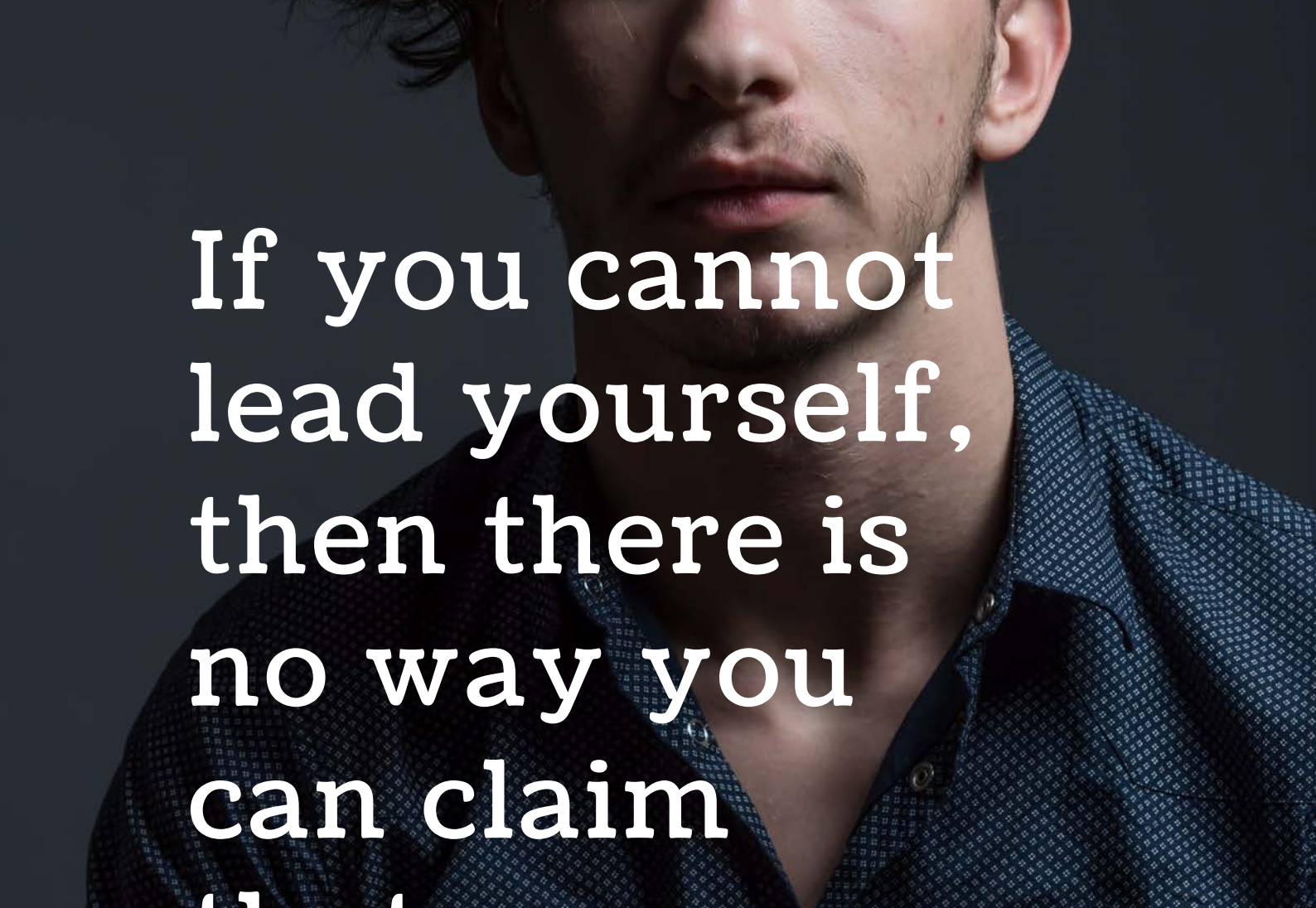
You cannot/should not attempt to change the behaviour of people as they rarely change. Hiring unqualified or mediocre talent who are unable to meet your expectations, even though significant resources are spent in training them toward alignment with your goals, is a strategy pointing straight at failure. Instead, focus on identifying, developing, and retaining only the right people with the right behaviour to grow your business in the right direction. The rest is just a waste of your and other people’s time, effort, and money.

#### **What It All Means**

The bottom line is simple: We need common sense thinking to resolve the many organisational challenges we face. The critical factor is to remain in that “common-sense zone” and not lose sight of what is most important for the business – which, ultimately, is to maximise returns for all stakeholders.

The foundation of every “business” revolves around this simple objective. If any stakeholder is not receiving a fair value, that stakeholder will always remain an obstacle to growth. Rather than creating barriers to grow your business, you need to do the opposite by liberating the pathway and eliminating the barriers.

The best remedy to maximise returns in business is to invest in management practices that engender transparency, mitigate self-interest, drive common-sense decision making, build trust among your people, and help you hire only the right talent to expand your business. Focus on these approaches or practices to outperform your competition. They represent a more cost-effective and reliable strategy in the long run.



If you cannot  
lead yourself,  
then there is  
no way you  
can claim  
that you can  
lead others.

A MESSAGE FROM  
THE SPARKCHIEF TEAM



# Tips For Hiring The Right People For Leadership Roles

## How to Find and Nurture True Leaders

Why is it still such a common practice to give leadership roles to people who are not ready for the position and accompanying responsibilities? With hindsight, in light of the eventual and inevitable failure of such individuals, many hiring leaders often opt to repeat this error. But consider what happens when you give authority and accountability to someone who does not have a comprehensive understanding of what a leadership role actually means. It is very likely that the probability remains significantly high that the person will not be able to handle the authority and will eventually cause collateral damage to many people, your productivity, and your bottom line.

That said, there is a critical need for CEOs to understand the link between weak leadership and its true cost to all stakeholders – the management team, employee base, shareholders, clients, and customers. Part of the problem involves where corporations spend money – often, unfortunately, on human resources programmes that do little or nothing to further the development of the individual employee.

Without such forward movement, innovativeness and creativity stagnate, causing a drag on the quality and reliability of the company's growth potential. Another source of unwise spending is recruiting, hiring, and training employees who do not "fit" with the values or do not have the requisite talent – especially when it comes to the dilemmas presented by mergers and acquisitions, a clear situation where values and missions are likely to clash.

## Truly Committed Leadership

Leaders appear at all levels of the organisation: senior staff, team leaders, unit supervisors, department heads, division heads, subsidiary presidents, and executives, right up to the CEO. To make the most use of valuable leadership talent, and ensure management succession and organisational continuity, consider the following pointers when you hire people for leadership roles.



1) Make sure that the employees who are given the leadership roles have an excellent track record of driving people behind them and not pushing people below them. Nobody can be called a true leader if the person is solely using authority to make things happen – and not true leadership. Such circumstances typically occur in the military, not in the majority of modern organisations that face very different realities and operate under very different strategies. In a company, management should be able to track potential leaders' historical feedback – that is, input they might have received during their previous career roles through 360° reviews or other feedback tools that the organisation has implemented. The key point is the need to track feedback.

2) Create an “open mouth” rather than “open door” policy, so that people can freely provide feedback about the person in question at any time (before or after the individual takes on the leadership role). No leader – no matter the organisational level – should be immune to periodic peer, supervisor, and subordinate reviews.

3) If the employee is not ready or mature enough to grow as a person, it is senseless and wasteful to attempt to stretch their abilities. A common conversation in such situations includes comments such as, “the person will grow into the role.” Inevitably, except in circumstances where the individual exhibits exceptional commitment, the anticipated growth does not appear.

4) Emphasise the importance of the leadership roles throughout the organisation on an on-going basis. Create and deploy a communication plan that re-iterates the critical attributes of leadership roles. In addition, illustrate how these roles actually impact not only the person who is taking on the leadership role or the individual's department but also the entire organisational workforce. By indicating that every leader plays a role in supporting the efforts of other leaders, employees can readily grasp their own contributions to organisational performance and productivity.



5) Demand full accountability and commitment from the person who is accepting the leadership role. If the individuals are unwilling to commit to performing their best, developing others, behaving according to organisation values, or show any signs of semi-commitment, make it absolutely clear that there will be consequences. Although “consequences” might mean different things to different people, leadership roles do not come with light compensation packages. If things go south and the individual fails to perform as expected, demand that the individual as well as the hiring manager take full responsibility – which should include a negative impact on both individuals’ reward package. Tying performance to rewards, including the hiring manager, should be accepted practice.

6) Although it might be tempting, do not “turn the tables” and make things worse. In other words, if a leader does not show commitment and fails to make an optimal effort, do not appoint that individual to another leadership role with a naïve expectation that the person might do better the next time. Unfortunately, people do not usually change easily. Management would do better to focus on hiring the right person to do a great job.

7) Spend more and quality time in selecting the appropriate people for leadership roles. The company’s money will be well spent in the long run. The golden rule on hiring to grow your business is simple: The more right people you hire, the fewer people you need to do a great job; the more wrong people you hire, the more people you need to do a job. The old saying is true: “You get what you pay for,” and cheap labour comes with big costs! To stay at the cutting edge of productivity and provide higher returns to shareholders, spend more time seeking and hiring the right talent.

#### **The Cost Is Avoidable**

Consider this scenario: You appointed a person to a leadership role for which the individual is not ready. In addition, this person was never able to “grow into that role.” Ultimately, after two or three years of the individual underperforming in the leadership role, you realised that it was a bad choice. Recognising the failure, you decided to transfer the person to another role, hoping for a better result. In light of the time and resources wasted, can you estimate the cost of this failure to the organisation? Without knowing the

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hidden costs – in terms of recruiting, hiring, training, lost productivity, poor quality, impact of low motivation on other employees working with that leader, and so on – management cannot operate an outstanding and successful business.

The bottom line is simple: Leadership roles are critical for growing the business and outperforming industry peers in this extremely competitive market environment. By not spending enough quality time and, therefore, appointing the wrong people to these roles, you are defying all your stakeholders – shareholders, board members, management, employees, suppliers, clients and customers, and the community at large. Discovering, hiring, engaging, developing, and retaining only the true leaders to grow your business offers the road to success.

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THE POWER OF NEW THINKING.

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