FALL 2017 • VOLUME 3 • NUMBER 3

AMA QUARTERLY

JOURNAL OF THE AMERICAN MANAGEMENT ASSOCIATION

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Allen Adamson and Joel Steckel

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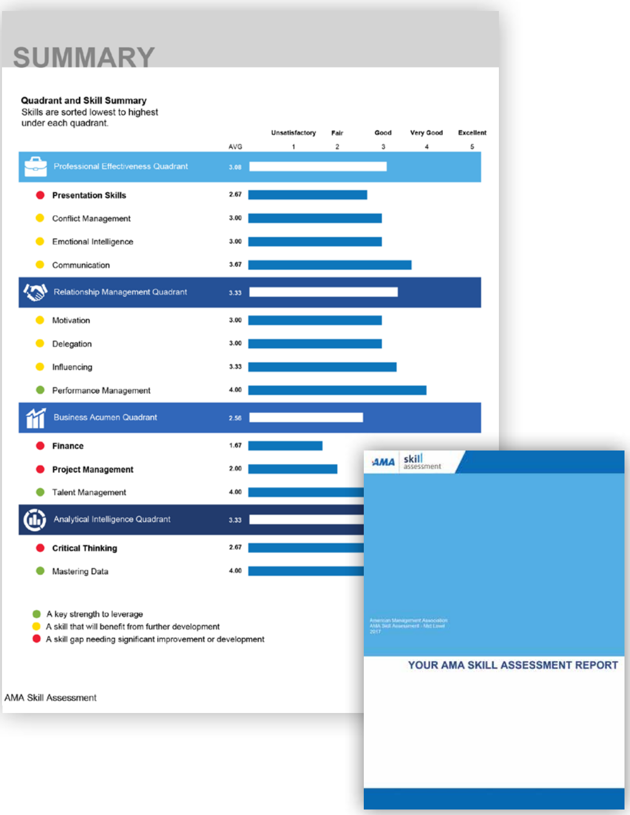

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16 AN INTERVIEW WITH ALLEN ADAMSON AND JOEL STECKEL

Be Adept at Shifting to Get Ahead

AMA Quarterly spoke with Allen Adamson and Joel Steckel, the authors of *Shift Ahead: How the Best Companies Stay Relevant in a Fast-Changing World.* They detailed the characteristics of leaders who can shift.

3 The New Leadership Literacies

6 Six Global Trends Shaping Learning and Development

FEATURES

DEPARTMENTS

Tracking Trends Means Getting Ready for Change

Evolve or die. Darwin's theory of evolution is the basic blueprint for life. There are species of animals that bear little resemblance to their ancestors because they evolved to become more successful. If you don't believe me, look in the mirror. *Homo sapiens* bears only a slight resemblance to *Australopithecus afarensis*, the species that is one of our hominid ancestors. But if *Australopithecus* hadn't adapted to its grasslands environment as the trees receded—walking upright rather than on all fours—we may not be here today,

Evolution applies to today's business environment as well. As companies are bombarded by the swift pace of change in the world, driven by technology and different needs and tastes, leaders need to learn how to sense the trends. This issue of *AMA Quarterly* focuses on the trends driving business evolution and what leaders can do to help their companies address change. Allen Adamson and Joel Steckel, in a Q&A with *AMA Quarterly*, discuss their recent book *Shift Ahead: How the Best Companies Stay Relevant in a Fast-Changing World* (AMACOM, 2017) and what happens when companies don't evolve.

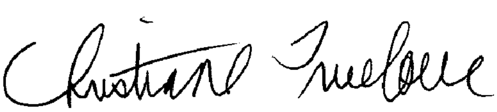
AMA has produced an infographic that neatly enumerates the six global trends shaping corporate learning and development programs. These trends include a shift to eLearning, more demands on workers' attention and focus, and a dramatic increase in the amount of data available, which calls for critical thinking and analytical skills.

Elissa Tucker from APQC, in "Four Trends in Workforce Planning," shows how analytics are driving workforce planning.

And in the category of building the skills to address trends, Tim Lewko describes in "Tools to Develop a CEO Mindset" the "toolbox"—a group of strategies—that executives can employ in their decision-making process.

AMA itself is addressing the trends driving these changes, as new CEO Manny Avramidis is at the helm. In his first column for *AMA Quarterly,* Avramidis pledges to maintain the organization's legacy as he takes AMA into the future of learning.

With this glimpse into the trends shaping business, readers can form their own battle plans, and turn to AMA for the training needed to accomplish their goals.



Christiane Truelove
Guest Editor, *AMA Quarterly*

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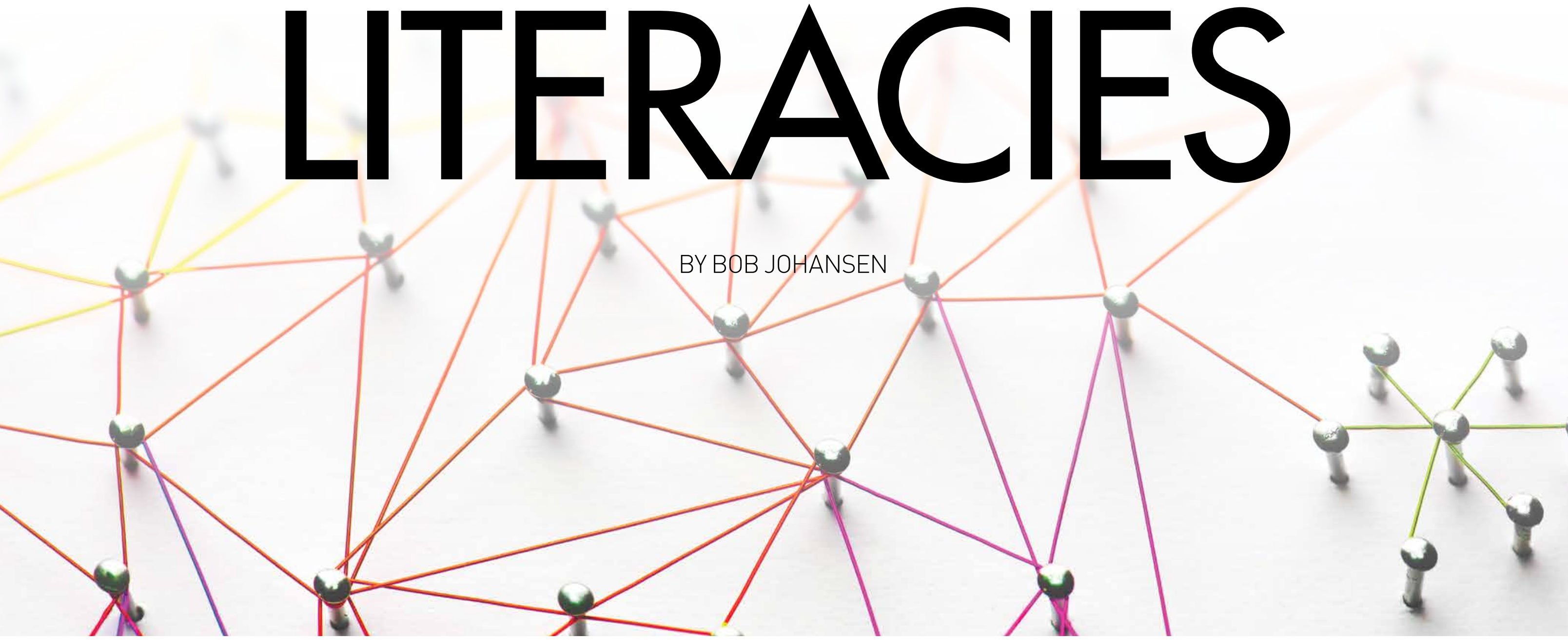
The New Leadership LITERACIES



BY BOB JOHANSEN

We think we are connected today, but the next 10 years will be a period of explosive connectivity and asymmetric upheaval.

In this future world of dramatically amplified digital connectivity, a path characterized by increasing speed, frequency, scope, and scale of disruption will emerge where anything that can be distributed will be distributed. The shift from centralized to distributed organizations has already begun, but most leaders—and most organizations—aren't ready for this future.

Younger leaders will be better prepared for this new world than older leaders. Many young people live in a blended-reality world already, with constant mobile online filters for the physical world. They are online, unless they are off. For most adult leaders, we are offline—unless we are on.

TWISTING TOWARD DISTRIBUTED EVERYTHING

Distributed organizations have no center, grow from the edges, and cannot be controlled. Hierarchies come and go in shape-shifting forms resembling a swirl. Rock-star leaders will be rare, and networked leadership with strength and humility will work best. As centralized and decentralized organizations become increasingly distributed, expect a cloudburst of disruption.

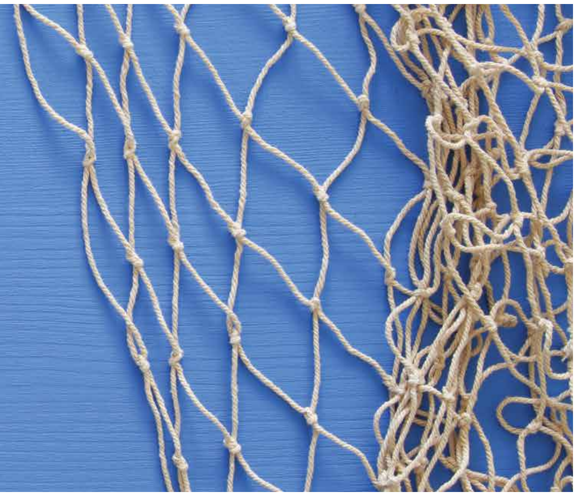
The disruptions of the next decade will be beyond what many people can cope with—and therefore we will be susceptible to simplistic solutions. Certainty about the future may provide temporary hope, but it is likely to be false hope since we live in an increasingly VUCA (volatile, uncertain, complex, and ambiguous) world.

VUCA has always been a part of life, beginning with the fact that we all have to die. Leaders have been challenged by VUCA before—but never on the global scale that they will experience over the next decade. The big global VUCA challenges will be global climate disruption and biologically amplified terrorism—both of which will likely be on a scale that was previously unimaginable. VUCA has never been so global, so interconnected, and so scalable.

In describing the new leadership literacies, I'm focused on those that will be necessary to thrive in this kind of world. In this future, leaders will see things they have never seen before. The ones who have the ability to fail gracefully at the edge of their competence will be rewarded.

These five directions of change will challenge leaders over the next decade:

> "Hierarchies come and go as needs arise. Leadership is distributed and varied. Such shape-shifting organizations are both strong and flexible, like a fishnet."



TOWARD A FUTURE THAT REWARDS CLARITY—BUT PUNISHES CERTAINTY

Leaders are—and must continue to be—a source of clarity. Clarity is the ability to be very explicit about where you are going but very flexible about how you will get there. In a future loaded with dilemmas, disruption will be rampant and clarity will be scarce. It will be easy for leaders to confuse clarity with certainty.

Many people—including many leaders—just aren't prepared for the speed and scale of disruption they will face over the next decade. In this future world, simple will be good, but simplistic will be dangerous. Simplistic solutions will become more alluring as the degree of uncertainty rises. An urgent need for what psychologists call cognitive closure can lure anyone into simplistic logic that confuses clarity and certainty. Everything in the VUCA world will be risky, but clarity will offer lower risk while certainty will create higher risk.

What is the difference between clarity and certainty? Clarity is usually expressed in stories, while certainty is usually expressed in rules. Rigid rules can get leaders in a lot of trouble in the VUCA world, while stories encourage people to engage. Clarity is lucid and coherent; certainty is definite and brittle. Great stories invite people to add color within the boundaries of the story. Rules punish people who violate them. Stories sing. Rules shout.

Leaders will need to communicate realistic hope through their own stories of clarity and provide enough clarity to make disruption tolerable.

TOWARD A FUTURE OF GAMING FOR GRIT

We are moving toward a world where young people will bring their video gaming experience to work, and that experience will be a competitive advantage for them. Learning communities of gamers will emerge as powerful guilds to learn together, share experiences, and amplify their impact.

As the next generation shows up for work, more of today's executives will learn the benefits of gaming—or will be forced to retire early. Those who are 21 or younger in 2017 will have grown up with vivid digital interfaces and video gaming, and they will expect the sophistication of those media when they get to work.

The video game industry already knows that any game is exponentially better if it involves teams, a team of teams, or wider community engagement. Even games that aren't intensely multiplayer often have a social element. MMORPGs (Massively Multiplayer Online Role-Playing Games), such as World of Warcraft, use highly customizable interfaces that allow players to quickly design experiences that are effective for both tasks and player styles. Such games are actually integrated communication platforms. When these same young players come to work, they will have sophisticated organizational skills, very high expectations, and a serious gamer mentality.

Gameful engagement will be basic to the next generation of learning, marketing, advertising, and commercials. In 10 years, most rising-star leaders will be gamers, with a gameful mindset. Next-generation workers are going to expect a much higher level of engagement in the workplace. If companies give them an experience as rich as what they've grown up with in the world of gaming and guilds, these workers are likely to develop grit and be very productive and successful in life.

Grit, according to author Angela Duckworth, is having passion and perseverance for long-term goals by blending motivation to have fun and to learn.

Leaders in a highly uncertain world will need to game everything. They'll need to explore their options in low-risk ways to use the gameful mindset of next-generation workers and help them nurture a sense of grit.

TOWARD A FUTURE OF DISTRIBUTED AUTHORITY

In the near future, many traditional hierarchical structures will bend and break. Lots of diverse partners will come together in new ways to create new kinds of organizational structures that will be more fluid and less rigid. While this will feel like a radically new future, there are deep roots in the past. The future that is about to happen has been brewing for a very long time.

Most of the things we think are new are not really new. Almost every new development comes from something that was tried in the past and failed. My advice is not to ask "What's new?" If something is truly new, it almost certainly won't happen anytime soon. Rather, you should be asking "What's ready to take off?"

The capability to connect distributed organizations was made possible by the invention of packet switching. Over the next decade, these capabilities will finally be able to take off on a global scale.

I like to think of a shape-shifting organization as a fishnet lying on a dock. Each node represents a potential leader. If you pick up one node, a temporary hierarchy forms with a temporary leader. Hierarchies come and go as needs arise. Leadership is distributed and varied. Such shape-shifting organizations are both strong and flexible, like a fishnet. Shape-shifting organizations will be more messy but more productive than traditional organizations. Over the next decade, shape-shifting organizations will become much more common, and distributed leadership will become mandatory.

The job of leaders is to have the perspective necessary to recognize true innovation and know when it's ready to take off.

TOWARD A FUTURE THAT IS BEYOND BEING THERE

As we are entering a blended-reality world, the good news is that there will be a lot of exciting choices for communication. The challenging news for leaders, however, is that they must have experience with how to lead in the expanding array of media-rich worlds. Most important, they will have to become very good at deciding which medium is good for what purpose.

Blended-reality media will provide new opportunities to communicate more effectively, productively, and persuasively than ever before. These same vivid media will also create new forms of remote presence that have the potential to be off-putting, alienating, and even inhuman.

This concern was articulated by robotics professor Masahiro Mori of the Tokyo Institute of Technology in 1970 when he wrote a classic essay in which he coined the vivid term "uncanny valley" to describe how humans react to humanoid robots. He had noticed that, in climbing toward the goal of making robots appear human, our affinity for them increases until we come to a valley, an uncanny valley, where feelings of eeriness and revulsion come to the fore.

I expect that a new kind of uncanny valley will appear on the horizon as leadership at a distance become increasingly powerful, as blended-reality leadership comes to include both human and artificial intelligence. In climbing toward the goal of leaders being there without being there, our affinity for those leaders will increase until we reach an uncanny valley where leaders will be perceived as being weirdly present and our affinity for them changes into a powerful negative reaction.

The future of distributed leadership presents a challenge because we don't yet know what could be on the other side of the uncanny valley for leadership at a distance. I doubt that it is a leadership experience that will be the same as if the leader were there in person. Rather, it will need to be a hybrid of human presence and machine support. And it will need to be better than if the leader were there in person.

TOWARD A FUTURE WHERE LEADERS ARE BODY HACKERS

While many leaders in the past had unhealthy lifestyles, that will not be an option in the future because of the intense pressure of leading in a world of extreme disruption and distributed everything. Almost all successful leaders will be physically, mentally, and spiritually strong.

Over the next decade, sensors will be everywhere and neuroscience will get practical. And if they pay attention with personal rigor and grit, leaders will benefit dramatically. Using body hacking, they'll be able to monitor and enhance their own energy levels and engage with people who work with them through body sensitivities and metrics. To me, "hacking" means to start from something as it is but make it better in a way that is not illegal. In the future, we will all have a tremendous ability to hack our own bodies, to zoom in and zoom out with high-resolution views, in a way that only a few people can do today. High-resolution body hacking will allow leaders to be more prepared for the leadership challenges they face.

If you want to be a leader in the VUCA world of the future, I believe you will need to be extremely healthy, not just routinely healthy. There will always be different approaches to health and well-being, but if you're going to thrive in a disruptive world, you will have to make good choices. AQ

Bob Johansen, PhD, a distinguished fellow with the Institute for the Future, has helped major corporations, universities, and nonprofits prepare for the future. He is a frequent keynote speaker. Johansen's latest book is The New Leadership Literacies: Thriving in a Future of Extreme Disruption and Distributed Everything *(Berrett-Koehler Publishers, 2017).*

6 Global Trends Shaping Learning and Development

DIGITIZATION

eLearning has grown by **900%** in the last **16 YEARS.**

77% of U.S. companies offer online training to employees.

Shift in instruction

- Rise in the flipped classroom model where students learn in advance and meet for live instruction and coaching
- Growth of sensory-based, experiential, and immersion learning experiences

Skills needed
Coaching and mentoring skills for managers

INCREASED COMPETITION FOR ATTENTION

3 minutes: average time spent working before getting interrupted.

56 interruptions per day.

Shift in instruction

- More engaging experiences, gamification
- Growth of immersive learning experiences
- Dedicated learning periods with no interruptions

Skills needed
Time management skills

COMPLEXITY

90% of the data in the world has been created in the last two years.

Global Big Data market to generate revenues of over **$122 billion by 2025.**

Shift in instruction

- Increased emphasis on scenario-based instruction, and practicing logic, analytical thinking, and decision making

Skills needed
Critical thinking and analytical skills

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business.salary.com/why-how-your-employees-are-wasting-time-at-work/

ASSESS YOUR ORGANIZATION'S SKILLS FREE

CONNECTIVITY AND CONVERGENCE

304 average number of business emails per week.

16 minutes: time it takes to refocus after checking email.

10 IQ points lost after fielding constant interruptions.

Shift in instruction

- Increased use of collaborative technology for employees to learn from one another
- Increased use of group learning techniques

Skills needed

Resilience, adaptability, and time management skills

RAPID ADVANCEMENTS IN THE WORKPLACE

Half-life of many professional skills is **5 years or less.**

24 minutes: average time per week employees give to training.

Shift in instruction

- Increased use of metrics, assessments, and adaptive learning techniques to keep skills current
- Increased need for dedicated, employer-endorsed learning periods

Skills needed

Business acumen

GLOBALIZATION

43% of adult Millennials are non-white—the highest share of any generation.

By **2055,** the U.S. will not have a single racial or ethnic majority.

59 million: the number of immigrants to the U.S. in the past **50 YEARS.**

Shift in instruction

- Increased focus on diversity and inclusion programs and breaking down barriers

Skills needed

Strong cultural awareness, communication, and collaboration skills

www.keyorganization.com/time-management-statistics.php

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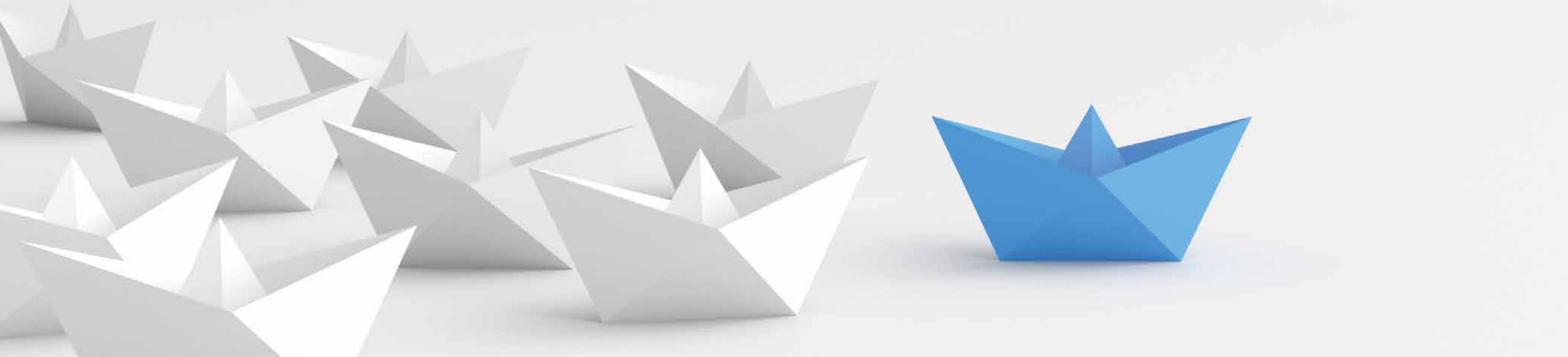
www.pewresearch.org/fact-tank/2016/03/31/10-demographic-trends-that-are-shaping-the-u-s-and-the-world/

The 5 Key Commitments of LEADERSHIP

BY MATT NORQUIST AND MARK HANNUM



What enabled Charles Martin IV of Martin Guitar to reinvigorate guitar manufacturing in the United States?

How did Maxine Clark of Build-A-Bear execute a retail growth strategy that fundamentally repositioned her company within the toy industry ecosystem? Why has Oprah Winfrey been so successful at building a multibillion-dollar, multimedia empire? And what differentiates these great leaders from the average leader? Questions like these have kicked off countless lectures at business school campuses around the world for decades. But the big surprise is that after all these years of giving props to the likes of *In Search of Excellence* (Harper and Row, 1982) and *Good to Great* (HarperBusiness, 2001), it turns out that the traditional models of leadership long held up as paragons have all too often gotten it pretty wrong.

Leadership is the byproduct of the relationships a person has with him- or herself and with others. As we step into leadership roles, we make commitments, both to ourselves and to our colleagues, and our colleagues form expectations of us based on our ascension to the leadership role. These commitments are not always explicit. But they do form the basis of a dynamic relationship that, in large part, goes well or goes badly based on our ability (or lack thereof) to say what we intend to do and do what we say we intend. Leadership is what emerges from a sustained track record of making, and then keeping, commitments.

We all admire leaders we perceive to be great, and we all know bad leadership when we encounter it. But identifying and understanding the root of a mediocre leader's ineffectiveness is not always so easy to do. Through our research, we've found that mediocrity stems from an inability to follow through on five key commitments:

- To inspire others in pursuit of a common goal
- To wholly engage all team members in the pursuit
- To innovate products and processes
- To achieve measurable outcomes
- To pursue each of the above with clear purpose and intent

One can step into the role of leader by creating or assuming a goal and then taking demonstrable action toward its attainment. As others sign on to offer their support in achieving that same goal, a leader-team member relationship is established. The team member will have expectations of the leader, and the leader will make commitments to team members. While leadership in general can be contextual—leaders can emerge from the confluence of seemingly random circumstances and/or luck—great leadership never is. Greatness is always dependent on sustained effort and measurable achievement, and never on happenstance.

It seems simple: Consistently honor your commitments to yourself and to others, and a perception of you as a leader will result as a highly desirable byproduct. So how and where can things go wrong for today's aspiring leaders? To answer this, we need to delve into the key commitments of leadership and understand how they play off each other.

FIVE COMMITMENTS ALL GREAT LEADERS KEEP

We've distilled countless data amassed over the course of three decades into five essential characteristics—or active commitments—of great leaders: purpose, inspiration, engagement, innovation, and achievement. Consistency across these five commitments not only defines greatness but also differentiates the great leader from the accidental leader, who, by circumstance rather than intent, may have been falsely identified as great. Conversely, an inability to attain and sustain even one of the five commitments derails a leader from his or her ability to lead with purpose.

Become driven by an extreme sense of purpose. We have found that all great leaders start with, and are driven by, an extreme sense of purpose. They have identified their personal "why" and organizational "what for"—the motivations that both enable and compel them to reshape the organizations they are affiliated with and the broader ecosystems in which their organizations reside.

When people want an example of a great American manufacturing company, they might look to C.F. Martin & Co., a small gem of an organization in Nazareth, Pennsylvania. Just as the volume was getting cranked up on the electric guitar revolution, leadership of this family-run guitar manufacturer passed to the fourth generation when Charles Martin IV inherited the top spot in the company. The folk era was over; amplification was hitting every chord. Even Bob Dylan had his electric. The woods used in fine guitars were becoming scarce and expensive. And guitars required the use of two small pieces of ivory, obtained at the cost of the rapidly accelerating extinction of the elephant.

The scenario at C.F. Martin & Co. was ripe for accidental leadership. But the Martin Guitar team, under Charles Martin's purposeful leadership, built a state-of-the-art manufacturing facility, formed a partnership with the Rainforest Alliance to promote strong, healthy forests, and started building guitars out of sustainable woods. Further demonstrating its commitment to its values, C.F. Martin & Co. helped pioneer a synthetic substitute for ivory while becoming a founding partner for the Nature Conservancy's "Save the Elephant" campaign. And yes, the company ended up producing guitars of the best quality in its history, setting new sales records virtually every year. You can see these commitments in the museum Martin & Co. built and dedicated to the legacy of its employees and their innovations.

This deep sense of purpose and mission allows leaders to view the world through the widest possible lens in order to have the widest possible impact. It is the foundation on which all commitments will be based. Leaders with an extreme sense of purpose are perceived by their peers and their team members to possess self-awareness, respect, courage, and fairness in the broadest definitions. And their superiors appreciate their abilities to instill confidence in others.

Inspire. A leader who inspires creates hope and optimism for the future by directing energy toward a clear and attainable vision. Team members expect their leaders to motivate them and to work passionately toward an exciting future and achievable goals. A strong leader must be certain to create a view of the future that is inspiring to others and to distill ideas into focused messages to galvanize support. Their superiors see and expect the same, coupled with an ability to infuse positivity into the dialogue. Their peers and followers, while looking for the same inspiring view of the future, also look for the inspiration to ask "what if" to challenge the status quo.

Think about the orthodoxies in the toy industry for a moment. Everything revolved around the production, marketing, and selling of finished products. At least until Maxine Clark set Build-A-Bear on a different course. She has shared her vision of building toys and building a company that builds toys with not only her workforce but also her clients—countless children who squeal with delight at the prospect of making their own teddy bears. Through her unwavering commitment to this unique vision, Clark built a retail empire one stuffed animal at a time.

Engage. Engagement refers to the leader's investment in the goal and ability to create an inviting atmosphere for team members to join in its pursuit. Successfully engaging others depends on the leader's ability to demonstrate that the work at hand is meaningful and that he or she cares about the team members striving to accomplish the work.

Diversity of thought and inclusion are important, but the leader's commitment to engagement goes well beyond these to investing one's whole self in the job at hand and creating the psychological safety for all others to do the same. Successful leaders not only clearly articulate a vision but also translate that vision into the strategy that will bring the vision to fruition.

Intermountain Healthcare in Salt Lake City, Utah, demonstrates its leadership commitment to engagement by centering decision making at the local level at each of its more than 900 healthcare delivery facilities.The company strives to be the role model healthcare provider, and as a result, the engagement scores it receives from employees are consistently off the charts.

Innovate. A leader who innovates eschews the status quo in favor of exploring and navigating new opportunities, altering the fundamental nature of the game, and putting real changes in place. Leaders who embrace innovation are comfortable with being uncomfortable. They are willing to reevaluate orthodoxies and let go of long-held notions to maintain a commitment to transformation and continual improvement. Innovative leaders instill freedom of creation among their team members, challenging them to make new connections between ideas and events and empowering them to derive better solutions to problems instead of falling back on tried-and-true paths.

Innovation requires objectivity to understand that legacy and opportunity may, in fact, be mutually exclusive. Innovation demands great confidence on the part of the leader to detach him- or herself from a hard-won legacy that is incongruous with future opportunity.

How many of us have gotten off an airplane, headed to baggage claim, and picked up our checked bags without thinking twice about the luggage carousel? Would you look long enough at the carousel to think that you could design a sushi restaurant around one? Yoshiaki Shiraishi did. The result was the concept restaurant Genroku Sangyo, based on the simple innovation of a carousel conveying food around the restaurant. Customers can park themselves at one of the tables set up along the carousel and simply pick up a dish as it comes by on the belt.

Achieve. To achieve is, simply put, to drive results that deliver on the articulated vision. Leaders who demonstrate achievement favor motion over effort and destination over process. Achievers ensure successful implementation by building and connecting processes within the organization, and successful leaders carefully match the goals to the capabilities of the team, often requiring the team to stretch in their quest for attainment.

Wegmans, a Rochester, NY-based supermarket chain, demonstrates this commitment. A company operating as much on values as strategy, Wegmans has built on success after success to become one of the best businesses in the United States and one of the best companies to work for—rivaling Google for first place. And it has amassed an equally enthusiastic group of customers called Wegmaniacs.

As leaders gain experience, they amass a series of wins and fails and ultimately become wiser. In this context, "wiser" translates into openness to change and a heightened sense of humility, which then feeds an ability to adapt, gather empirical understanding, and be confident that people are being led down a proper path.

It is through committing to become that the effective leader is able to fulfill the other four commitments listed above.

Exemplary leadership is always purposeful in word and deed. Great leaders act with intent to make and honor a range of commitments that inspire hope; engage the full person and the full team in pursuit of the goal; innovate to distinguish themselves from their competition; achieve superlative results through organization; and demonstrate the extreme sense of purpose that dictates all other actions.

AREAS WHERE LEADERS CAN COME UP SHORT

As we've said, great leadership depends on consistent performance across all five of the key leadership commitments identified here; those who fail to attain and sustain each one will not achieve the full measure of their potential for impact. In reflecting upon their own natural strengths, challenges, and actual performance, leaders should strive to identify and recognize within themselves the following warning signs that portend less than optimal leadership.

Inspire. Leaders who fail to inspire often find themselves, at best, as managerial leaders mired in mediocrity. They bring less than their full selves to the table, exhibiting thoughtlessness, carelessness, and a lack of innovation that often can be attributed to a lack of vision and belief in the mission. And should they fail to achieve next-level performance, they are likely to lose the hearts of their teams.

These leaders risk losing influence as a result of weak articulation of the vision or ambiguous messaging, including not distilling the vision into clear messages or reducing the message so far as to make it insignificant or incomprehensible to others.

Engage. Leaders who don't fully engage with their teams tend to struggle to get the majority of the organization aligned with the vision and attuned to the pursuit of a common goal. This misalignment often results in internal tension from those who defend the status quo. These leaders often display tendencies toward monologue as opposed to dialogue, and they don't deeply interact with others. Leaders who do not engender engagement are often found working just enough to get the job done and may be defensive about what they are doing.

Innovate. Leaders who don't innovate often find themselves operating in a status quo or a same-as-last-year situation. They may be effective generalists but may never turn the corner to create real impact. In defending the status quo, they wait too long for innovation to arrive instead of seeing (and grasping) the opportunities right in front of them.

"Innovation requires objectivity to understand that legacy and opportunity may, in fact, be mutually exclusive."

> "Superior leadership can only be attained through the sustained pursuit of the five key commitments."

Leaders who lack innovation may be overly protective of their legacies, favoring preservation over transformation.

Achieve. Leaders who are not strong achievers may say they will do whatever is necessary to get the job done, but they may then confuse effort with progress. They may prefer process to results, even if they get mired in the process along the way. Leaders who are not strong in achievement often fail to dedicate the needed time, resources, and processes to attain the goal.

Sense of purpose. Leaders who are not purposeful in their commitments to the above tend to demonstrate more carelessness, insecurity, and indecision, often leaving their organization worse off than when they assumed leadership.

HOW CAN LEADERS IMPROVE?

A leader's openness to being introspective about his or her commitments is, in itself, an encouraging sign. The good news is that leaders who display a willingness to honestly assess their strengths and shortcomings have a good shot at addressing their weaknesses and progressing along the leadership continuum toward greatness. All leaders at all levels can strengthen the way they demonstrate these commitments.

Fortunately, signs of progress are usually as easy to recognize as the symptoms of leadership shortcomings:

- Leaders who are progressing transition from impulsively reacting to perceptions of them to being intentional and deliberate in their actions.
- They move from taking for granted that their beliefs are part of themselves to seeing their beliefs as objects that can be self-created and autonomous.
- They progress from clearing the bar that is set for them to setting the standard themselves and raising the bar for those following them.
- They go from solving an assignment to discovering new problems and innovating the means to address these new challenges in unique approaches.

We have believed, rightly or wrongly, that leadership is related to power. But leadership and power are not always synonymous.

We like to think of our leaders as inspiring, effective, and dedicated to good. Some leaders are very authentic and straightforward; some are byzantine and complex; and far too many are disappointing because they are either ineffective, incompetent, or unethical.

One of the longest-debated questions is whether leadership is born or made, situational or general, state-based or trait-based. While mediocre leadership can exist in any state, superior leadership can only be attained through the sustained pursuit of the five key commitments that, together, provide a litmus test for the results of both inward and externally focused and developed skills.

By demonstrating an unwavering openness to self-reflection, leaders can self-monitor their performance in inspiring and engaging others, innovating the products and processes generated by their organizations, achieving hard-won results, and undertaking each of these with clear intent and an extreme sense of purpose.

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Mark Hannum is senior VP R&D at Linkage. An organization development consultant by training, Hannum focuses on understanding and improving executive processes and decision making. He is currently ABD at Boston University in organization development and is writing a book on the foundational processes of executive teams.

You Are Only as RESILIENT as Your RELATIONSHIPS

BY MICHAEL PAPANEK

It might sound ironic in the age of artificial intelligence and the relentless advance of "the cloud" to talk about the increasing importance of human-to-human relationships.

But during times like these, when uncertainty causes anxiety to rise and engagement at work to plummet, it's the commitments we make to each other that sustain us—not just personally but also professionally.

Too often, however, our relationships with team members within and across departments, or with clients and external partners, break down when placed under the stress of constant innovation and change. That's most often evident when the urgency of the next deadline becomes an excuse to see our business relationships as purely transactional. Even conventional wisdom suggesting that investments in "soft skills" such as effective communication are all we need to get things back on track is suspect (see "Why the Millions We Spend on Employee Engagement Buy Us So Little," by Jacob Morgan, *HBR*, March 2017). Respectful listening (which remains rare!) and the ability to have "tough" conversations won't make much difference if the structure of your relationships is unsound.

We have all met otherwise successful leaders who are seen as having trouble with "the people side" of their business (and the usual solution is training or coaching), when their problems are more likely to be the result of the environment they are in. Most organizations reward their salespeople, for example, based on individual performance, despite claiming cultures that promote teamwork and collaboration.

Plus, even when senior leaders recognize the importance of partnerships and alliances, often they think these skills are more relevant for others than for themselves. Indeed, you only have to look at findings such as PwC's annual Global CEO Survey to see the low priority many leaders give to working jointly toward a common goal. When asked to name the single most critical capability for tomorrow's CEOs to cultivate, respondents placed strategic thinking at the top of the list (32%), with the least priority given to collaboration (only 4%).

Yet under the new normal of uncertainty, the reality is this: The higher you go, the more the quality of your relationships matter.

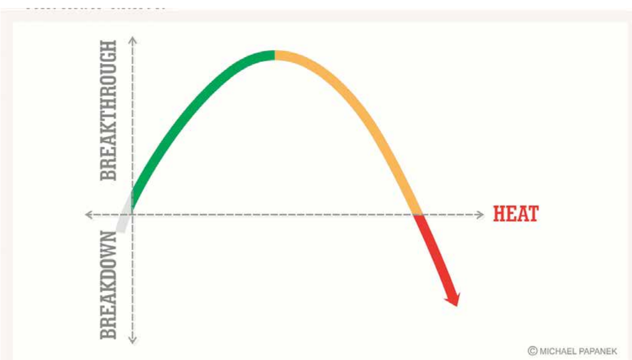
So what does it mean to have structurally sound relationships? More important, what do you need to know and do in order to leverage such insights into positive organizational impact?

RIDING THE HEAT CURVE

Having worked for the past 30 years with clients such as Apple, Clorox, and Google on ways to empower leaders to take their most strategically important relationships to the next level, I discovered the answer to why it is that some business relationships fall apart under conditions of stress and uncertainty while others become stronger. The term "resilience" is often thought of as a characteristic of individuals and defined as the ability to bounce back from hardship. I've found it more beneficial for organizations to think of resilience as a social phenomenon—the ability of any relationship to continue to create value under stress and change. This kind of resilience enables interpersonal dynamics of any size—from one-on-one relationships to those conducted throughout business as a whole—to ride what I call "the Heat Curve."

Think about the classic conundrum: We need a certain amount of stress and challenge to inspire ourselves and our teams to greater creativity and innovation, as well as to motivate us to take action.

Figure 1: The Heat Curve



But as you can see in Figure 1, there comes a point at which the curve begins its downward spiral. It is at this point—sooner or later—that creative tension, interpersonal conflicts, or extreme emotions become too much for the individual, team, or culture to handle. The "heat" is too great, and relationships begin to dissolve and break down at considerable cost to the leadership team's efficiency and effectiveness. Those teams that fail to master the heat curve will not survive over the long term.

Unfortunately, many leaders fail to see or understand this dynamic in action, let alone manage it well. Some make the mistake of tamping down the heat too early in the process, typically because they fear allowing situations to "spiral out of control" or they do not want to upset anyone. They act this way because they don't understand how, by first developing structurally sound, resilient relationships, they can allow the rising curve of breakthrough to be sustained far beyond what could normally be achieved.

This is the primary advantage of creating resilient relationships: The more resilience a group has, the higher you are able to ride the heat curve and leverage the benefits of increasing volatility and stress, without the costs. For that to happen, however, you must first ensure that the relationships you consider to be strategically important are built and maintained around three key attributes: strong, flexible, and fair.

Figure 2: Resilient Business Relationships

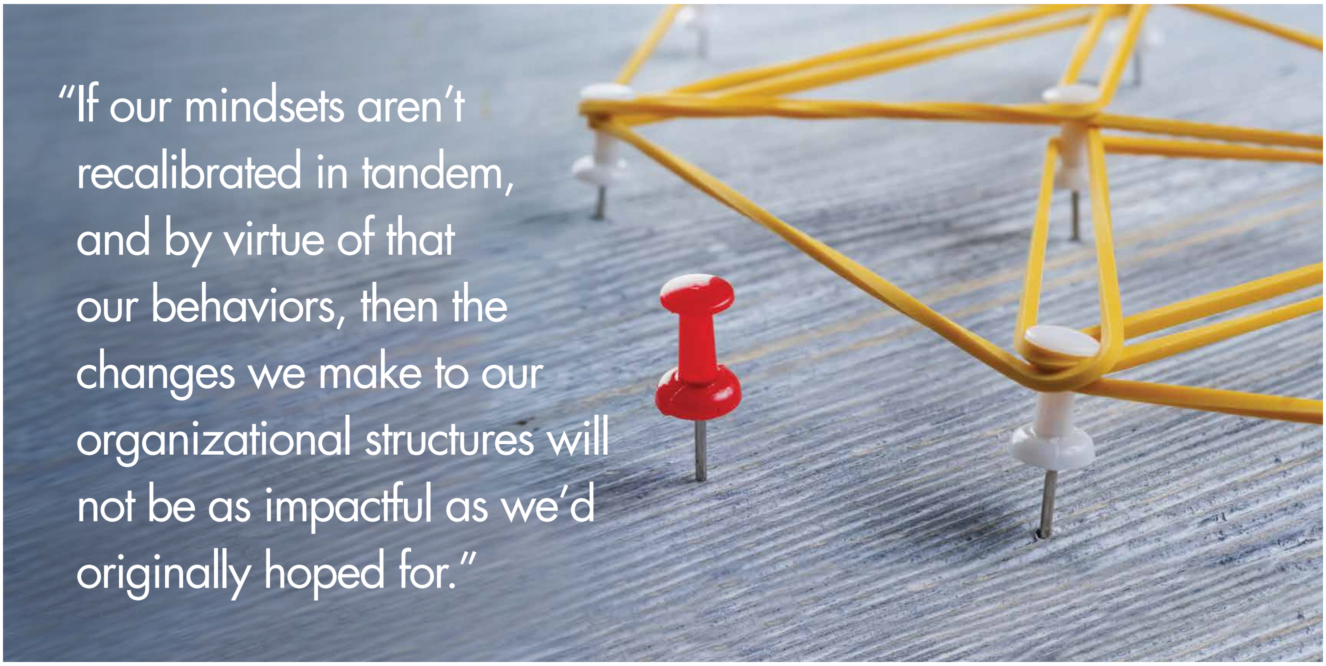
STRONG, FLEXIBLE, AND FAIR

Before I go into detail about each of the attributes of highly resilient, breakthrough business relationships, then outline how and why they must operate synergistically, a quick word about the concept of fairness—which, arguably, is the most challenging of the three.

As mentioned earlier, it's too easy to ignore the role that our environment plays in encouraging or inhibiting certain behaviors. Too often we focus on individuals and fail to appreciate how broader social, technological, and even political trends have an impact on how well your organization functions. But as a white paper titled "2017 Trends in Global Employee Engagement" published by human capital solutions firm AON points out, "tectonic shifts" in the external environment are potentially threatening "employees' basic needs for fairness, belonging, trust, advancement and support." As the authors of this report go on to say, "Important sentiments in the populist political movements are the idea of fairness and transparency–and in fact, our research revealed that pay fairness is top of mind for many employees as it relates to this top opportunity."

Alongside that, we've all been left in no doubt about the differing expectations of Millennials with respect to the social contract they have with employers. We also understand how the need for greater collaboration at all levels of an organization is both driven and enabled by technology.

It is the combination of such new realities that is responsible for building resistance to the current paradigm around



leadership, with some organizations even asking if we really need leaders at all (this is still a hypothetical question at most companies). This shift, while needed, is also contributing to the deep level of discomfort managers may feel as they operate in the current "wasteland" while waiting for a new paradigm to be agreed upon and constructed.

In the meantime, what we can do is to ensure that the attributes of strong, flexible, and fair that are the hallmarks of resilient business relationships are contracted synergistically, not as individual factors. Here's why.

Think of one of your most important business relationships, because it will be easier to appreciate the power of this approach in context rather than in theory. In particular, select a relationship that—were it to disappear tomorrow—could not be easily replaced. Now ask yourself the following three questions to help determine the extent to which that relationship is structurally sound and resilient—that is, strong, flexible, and fair:

- How well do you really know and understand each other as people, rather than simply as job titles and roles? Or is the extent of your connection tied only to discussing business processes and results?
- When was the last time you had a discussion about upcoming challenges affecting one or both of you, and what you might need to do to head them off before a conflict occurs?
- What is your ultimate goal or intention: to do what is right for both of you, or to compete and win regardless of the cost to them?

As you consider your responses, also think about the type of business environment in which most of us have operated for years—one that is largely informed by the "scientific management" developed in the early 20th century and the militaristic metaphors that preceded it. While organizational structures are being modified to better fit our new realities—including a shift away from hierarchies to "wirearchies" or even "holacracies"—basic human nature, still mired in the old paradigm of command-and-control and zero-sum, often goes ignored. Yet if our mindsets aren't recalibrated in tandem, and by virtue of that our behaviors, then the changes we make to our organizational structures will not be as impactful as we'd originally hoped for or required.

TWO OUT OF THREE IS NOT ENOUGH

Let's take a look at what can happen when a relationship fulfills only two out of the three requirements for success.

Fair + Flexible

When a relationship is fair and flexible but not strong (that is, it is not creating significant value for each party), then it remains superficial and is easily replaced. On an unconscious, if not conscious, level, we may not consider it important enough to ensure its resilience. Superficial knowledge and understanding of the goals of each party will lead to superficial outcomes and tenuous relationships.

Early on in my career as a junior systems engineer during the General Motors acquisition with my then employer, Electronic Data Systems (EDS), I experienced the ultracompetitive environment that often emerges when two very different cultures are brought together with little prior consideration of how they might work effectively. I had to interact with a GMer we jokingly called "Mr. No" because of his refusal to approve anything we brought to him.

"Not only has the failure to think more deeply about the human effects of long-established business practices resulted in today's failure to "engage," but the volatility of the broader environment no longer makes this approach tenable."

Although at the time it wasn't a deliberate or conscious strategy on my part, I decided to set aside the assumptions of my peers, many of whom saw this man as a tired, "vesting and resting" bureaucrat, and try to value him as a human being—as a man with a family and outside interests and concerns beyond whether or not to sign the forms I brought him. Over a period of several months, as I simply asked a few questions about his two sons, decked out in hockey uniforms in a picture on his desk, "Mr. No" transformed into "Mr. Yes." Not only were my forms signed, but by working together when contentious issues needed to be discussed openly and resolved quickly, the two of us brought much-needed strength to the way our division conducted its business. Despite the stressful postacquisition conditions we were all under, we helped transition our respective teams from breakdown to breakthrough.

Strong + Fair

Ensuring that your most strategically valuable business relationships are strong and considered fair by all parties can, of course, produce important outcomes and levels of engagement. But if they are not also flexible, then they tend to be fragile and may disintegrate under changing conditions, pressure, or stress.

We have likely all experienced the kind of rigidity of approach that causes clients and even employees to leave when a better offer is on the table from a competitor, one that is more open to their needs and provides a real "give-and-take." I have seen many companies in Silicon Valley that offered a great product at a fair price but were such a hassle to deal with—because of their inflexibility around processes and procedures—that the minute reasonable alternatives appeared, all their business went elsewhere. They lost their dominant position and had to try to win their customers back.

Strong + Flexible

Finally, relationships that produce strong outcomes and easily adapt to change but are not seen as fair to all parties are seen as negative and may be coercive. While the managers I speak to all want to be seen as fair, and all employees want to be treated fairly, this issue remains a top source of conflict and disengagement. Almost nothing pushes people out of a relationship more than unfair treatment or a perceived lack of respect.

In a article titled "Why It's So Hard to Be Fair," Joel Brockner of Columbia Business School points to the perception of fairness that can bolster or bury employee productivity and morale. Comparing the effects of layoffs at two different companies, Brockner points out that "although company A spent much more money during its restructuring," including on a generous severance package, "Company B exhibited much greater process fairness" by ensuring its executives and middle managers expressed regrets and were willing to answer any question from any employee.

In short, writes Brockner, "fair process makes great business sense." This was confirmed by Interaction Associates in its report "Building Trust in Business 2015: How Top Companies Leverage Trust, Leadership and Collaboration," where the firm found that treating employees fairly was 11% more prevalent in high-performing than low-performing organizations.

BRAND HUMAN

In times that were more straightforward, predictable, and therefore amenable to focusing on creating replicable and efficient processes, it was easy enough to set aside the human side of business. That past success has come at a cost. Not only has the failure to think more deeply about the human effects of long-established business practices resulted in today's failure to "engage," but the volatility of the broader environment no longer makes this approach tenable. Many businesses and leaders succeeded despite ignoring human motivation and emotion and are struggling to latch on to a new reality.

Of course, one option will be to automate as many tasks and roles as possible in order to avoid dealing with the messy and often fickle human beings we're asked to lead. This solution, however attractive, will have its limits. The more evolved approach will be to give greater consideration to the power of resilient business relationships—and to endeavor that they are strong, flexible, and fair. AQ

Michael Papanek is principal and founder of Michael Papanek Consulting and author of From Breakdown to Breakthrough: Forging Resilient Business Relationships in the Heat of Change *(Morgan James Publishing, 2017). Papanek has more than 30 years of expertise leading successful large-scale initiatives and increasing the performance of people and organizations in complex, competitive markets.*

(from left) Joel Steckel and Allen Adamson

AN INTERVIEW WITH

Allen Adamson and Joel Steckel

Be Adept at Shifting to GET AHEAD

BY CHRISTIANE TRUELOVE

AMA Quarterly spoke with Allen Adamson and Joel Steckel, the authors of *Shift Ahead: How the Best Companies Stay Relevant in a Fast-Changing World* (AMACOM, 2017). Adamson and Steckel shared insights on why some companies are more adept at shifting to stay ahead and what the characteristics are of leaders who can shift.

PHOTOGRAPHER: MARKO DASHEV

What were the reasons for writing this book?

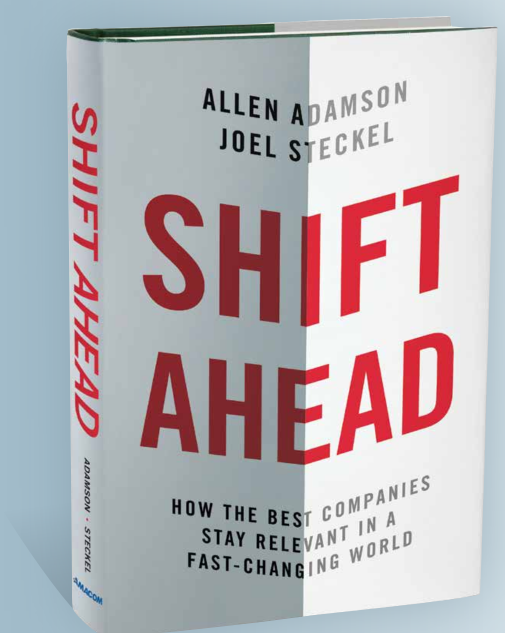
AA: The number one challenge all organizations, more and more organizations, face is how to keep up with the pace of change, how to stay relevant—how to prevent themselves from becoming "your father's Oldsmobile." Joel and I interviewed more than 100 people for the book, and that issue—whether they're succeeding and keeping relevant or falling behind, the pace of change and the pressure to keep up and keep their company, organization, or brand relevant—has exponentially increased in the past 10 years.

JS: Allen is a very well-known and accomplished and in-demand consultant. I am an academic. Allen has seen a lot more and a lot greater variety of different things, of different manifestations of the problem on which the book focuses, than I have. Getting to know him as I did throughout the project, I think one of the things he wanted to do was try to find the thread among a lot of what he had experienced and what he had observed.

I came at it from the opposite end. I have worked for 28 years now in one of the organizations profiled in the book, and that's New York University. And I would be hard-pressed to find more than a handful of organizations who have navigated this problem over the past decade as well as New York University has. So one of my objectives and why I wanted to write the book was to fill the need that Allen identified, but fill it from a different perspective, to see to what extent the experience that I've had in-depth over a period of decades is similar to and extends to IBM, *Forbes* magazine, General Electric, *Playboy* magazine, CNN, etc., and to see what are the commonalities. So I think we both wanted to come up with a set of guiding principles that relate to this major problem that businesses in the world are facing. But we came at it from different directions, and I think our complementary perspectives really worked. And I'm very happy with the product and I hope Allen is too.

You looked at several companies and the struggles that they faced. Outside of the book, are there others you think would make good case studies for the changes taking place in the world, and how they're reacting or not reacting?

AA: Every day in the newspaper you read a story about another company grappling with the challenges Joel and I have endeavored to provide a roadmap to addressing. Macy's, for example, announced it's down sales and what's happening to traditional department stores. Will they be able to shift ahead or will they continue to wilt on the vine? Media companies are challenged. Newspapers are struggling to redefine themselves. But I think retailing is the big one, where you have Amazon changing the category at warp speed, and retailer after retailer, from RadioShack to Macy's to Walmart to Target to Sears—this isn't new, this is a trend that's been building up over the past 5 to 10 years—they're finding challenges on how to shift ahead.



Looking for the Red Flags

BY ALLEN ADAMSON AND JOEL STECKEL

In a way, hearing an old advertising tagline is like looking at a forgotten picture in the family photo album. It captures a specific place or moment in time and evokes all sorts of associations and memories. Relative to former taglines, they also capture, in a few simple words, what the brand being advertised stood for—or wanted to stand for—at that moment in time. All good taglines express a brand's point of differentiation, how it promises its offering is (relevantly) different from the competition. Avis always tried harder; United's skies were friendly; and Coke was the real thing. A good tagline expresses what's important to consumers, again, at a moment in time.

Over the years, hundreds of taglines have come and gone. Some have stood up to history, remembered and repeated generation after generation, others have become part of the social vernacular (Wendy's "Where's the beef?," Verizon's "Can you hear me now?," Nike's "Just do it!," and the United States Army's "Be All You Can Be.").

As we do, we're sure you have your own favorites or most memorable. In any event, as we began to research the companies and organizations that had successfully shifted ahead—along with those that didn't—we

JS: We started to write the book a year and a half ago, and we got most of the writing done about six months ago. One company I look at very differently now than I did when we started to write the book is Uber, who was the darling of Wall Street at the time we were writing. But the technology is changing so fast around them. For example, if they are not first or close to first in the development of the self-driving car, they're dead. If Google or Apple or whoever it is has a self-driving car that can be mobilized into a transportation fleet, who needs the people? The idea was wonderful in the beginning for that time, because if you get drivers to use their own cars, who needed the cars? Who needed the car fleet? Now it's on the verge of taking another step: Who needs the people? I'll say this, I would have been very happy if I had invested in Uber two or three years ago, but I would not invest in them today.

Another organization or entity that I think is on the verge of having problems is the NFL. It's hard to imagine how something as powerful and ubiquitous and popular as the National Football League could face a roadblock from which they have to shift ahead. But you don't have to look back very far. When I was my kids' age—I have 15-year-old twin boys—football was a secondary sport. The most popular sports were baseball, horse racing, and boxing. Baseball is still one of the most popular sports, but nobody calls it our national pastime anymore. Boxing has suffered a severe decline in popularity largely because of [the] visible physical decay of Muhammad Ali.

So as more of the science comes out about the concussions and the effect of CTE that playing in the NFL has, fewer parents are going to allow their kids to play football. The fewer kids that play football, the less popular that the sport is going to be when they become adults and start to watch it. If I were going to invest in any of the major sports now, it would be the NBA, because that's a sport that is not susceptible to all of these things.

Are there common sorts of traits to be found in the leaders of companies who have successfully shifted, compared to the leaders of companies who have been less successful?

AA: One of the characteristics for leaders of companies who have successfully shifted is that they spend a fair amount of time out of their bubble. In other words, their focus is not the optimized operation of their organization, but they are in touch with the marketplace, what's going on. They are, as we refer to it in the book, "retaining the founder's mentality," staying close to the customer, seeing the customer with fresh, clear eyes, and not getting so inside their own bubble that they lose a sense of what made their business successful to begin with.

JS: The phrase we use in the book is, you bathe with your customers, almost. That's a metaphor, not literally. For example, New York Life Insurance, their people all live in the communities that their customers live in. They do their market research not through surveys done in phone calls

talked about some of the most notable taglines and how each summed up, in a dramatic and compelling or aspirational way, the idea driving the organization at that certain point in time. This led us to ask the first and, to us, most obvious questions relative to organizations that had missed the mark; "Isn't it obvious to organizations when a promise is becoming less meaningful to consumers?" Isn't it obvious that the world is changing, and that the products or services being offered are in danger of becoming obsolete?

Couldn't those organizations that did *not* successfully shift ahead see that consumers were losing interest? To paraphrase another tagline, couldn't companies that did not move fast enough to catch the market recognize that they were in danger of becoming their father's Oldsmobile?

For example, the Yellow Pages identified themselves with the implicit promise to the consumer that if she lets her fingers do the walking through the Yellow Pages they can find the phone number of any local business they need.

Advertising Age named "Let your fingers do the walking" as one of the top 10 slogans of the 20th century. However, with the emergence of the Internet and online search directories, fewer and fewer people are letting their fingers do the walking. Seventy percent of Americans did not use a printed phone book at all in 2011. Indeed, their fingers may still be doing the typing, but even that is likely to change with the increased penetration of voice recognition software like Apple's Siri. The slogan could morph into "Let your voice do the asking." Because of declined usage of print and environmental concerns, phone book delivery is now opt-in in many locations.

Sure, on Monday morning, everyone's a professional quarterback and can tell you which of Sunday's football plays were foolish, or made for the turning point in the game. Hindsight is always 20/20. It's foresight, seeing the red flags in advance of the risks, that makes the difference on the road to success.

RED FLAG ONE: BASIC MATH

In terms of the hard business metrics, the most apparent red flags are performance-related numbers, the financial data that appear on any CFO's spreadsheet. This basic math would seem to be pretty straightforward and would hopefully get the message across: Your sales are starting to drop; your revenue, quarter-over-quarter, is decreasing; your margins are eroding; your expenses and overhead are spiraling upward. If you're in the non-profit sector, your donations or charitable gifts are waning year-over-year, as is your list of new or renewing contributors. Your hard-written grants are being overridden by those of other groups competing for the same pot of money.

or door to door, they talk to them at Little League games. So I think that this is the biggest trait.

Good leaders also empower the people who work for them, empower their followers. A good friend of mine who happens to be the dean at the MIT Sloan School gave me his secret to what he does. His job is not to please his superiors, but to reward his followers. He takes care of his people, they'll take care of him. If you empower the people who are closer to the operations on a day-to-day basis, then you will learn more about the operations. If you're not bathing with the customers, you're at least looking at them in a swimming pool.

Though we don't have much in the book about Amazon, one of the things that's always been impressive to me about Jeff Bezos is that essentially he says to hell with the stock market, the hell with how Wall Street is going to react—I want to do what I think is right. A big part of our book is identifying companies with what we call golden handcuffs, and people who are imprisoned by shareholder price, the issuance of dividends. This has been a problem at Kodak, at Xerox, etc.

AA: A final successful leadership characteristic for companies who are able to shift ahead that I'll throw out there is the famous Bill Marriott quote, "Success is never final." Maybe even tie it to the famous Andrew Grove quote, "Only the paranoid survive." The leaders who have helped their organizations shift ahead always take a "never done, tomorrow is a new day and they have to start again from square one" attitude. They never grow complacent. They don't feel that they've arrived and it's time to put the feet up on the desk and relax.

In fact, one of the other quotes from Bill Marriott is, "The feet never touch the desk." He was always out walking the hotels, always walking in the shoes, as Joel says, of his customers. So this notion that success is never final, having an attitude of fighting every day and being concerned about whether you are delivering for your customer—if the leader has this drive, then these organizations are more likely to shift ahead than if their leader is just sitting back and enjoying the success.

It's a very data-driven world we live in, and we talked a bit about analysis paralysis. When do you say "no more" to another data dump about a given situation. How do you move forward?

JS: Just the words "data dump," that kind of to me relays a dysfunctional situation. Data shouldn't just be dumped; it should be requested. What are the data that you want? What are the data that you need? It shouldn't be dumped on you.

In making decisions and learning how to keep relevance, you need to understand the data and have access to the data that will help you make those decisions. Sometimes I think it's not that managers don't have enough data or don't

Sales and revenue do not have to drop to indicate trouble. Plateaus are bad. If you aren't growing, you are dying. All organizations operate off fundamental mathematical metrics day-to-day. They have at their immediate disposal the facts that overtly reveal financially-related early warning signs of trouble ahead. We don't need to expound upon this. What we do need to do is admonish that these warnings not be ignored. When you see the red ink, look into the cause and act on it as soon as possible. Unfortunately, in the case of many of the organizations we studied that did not shift ahead in time, it was a matter of either ignoring the warnings that were clearly in sight or, equally troubling, rationalizing them that led to their problems. By the time that they finally did see or acknowledge the red—ink or flag—it was usually too late to do anything about it.

RED FLAG TWO: COMPETING ON PRICE, NOT DIFFERENTIATION

One of the most valuable tools and tactics for determining a brand's value and its standing in a category is the Brand Asset Valuator—or BAV. Among the key takeaways from BAV studies is that commodity status is not a good thing. It indicates that your product or service, while it may be relevant currently, is undifferentiated and carries no inherent value beyond how much it costs. A key objective for all brands is to create a promise that customers value at a level significantly greater than a price that includes not only cost, but a reasonable margin as well. Products that create such value for their customers have the potential to dominate their category.

However, companies cannot deliver such value in perpetuity. Innovative competitors will derive ways to deliver similar or superior value to some market segments. As one of the developers of the BAV model, John Gerzema, told us, "Branding and growth is a series of constant small risks in decision-making. You cannot get to the point where you have waited too long without taking any risks. You'll basically have to throw a Hail Mary."

What we found in our research was that if a company began to address the need to shift the minute there was a slight drop in relevant differentiation scores, they had a fair chance of successfully shifting. But the vast majority did not start to address the relevant differentiation issue, again, before the runway ran out.

RED FLAG THREE: BIG ON DATA, SHORT ON ANALYSIS

In the late 1800s, scientist John Haldane studied the rate of asphyxia in coal miners and recommended that they carry small animals, such as canaries, into the coal mines as carbon have information upon which to make decisions, it's that they have too much. It requires some thought beforehand about what data you would like. And data don't necessarily come in the form of Excel files, or supermarket scanner records, etc. It's data that come in the form of information.

The great ideas don't come from analysis of data. The things that move a company forward come from personal observations—people bathing with their customers, understanding what their customers need.

Does it mean that you're looking for specific things to prove or disprove a hypothesis?

JS: I don't really like that. Looking for something to prove or disprove a hypothesis means that you're not really open. Data has to tell a story. If you're looking to prove a hypothesis, that means you already have your mind made up. And if you already have your mind made up, that means you're likely to ignore everything else—this is a finding made in the behavioral science literature. If you have a preconceived notion of what the data are going to say, then you are going to look in the data and reject any data that does not confirm that hypothesis. So I think you need to have an open mind—and this is another characteristic of a good leader—and uncover a story.

AA: The other characteristics of organizations that are able to shift are not only to see with fresh eyes but not go in with any preconceived notions. That was a red flag for a company, if they constantly knew the answer and only saw what they wanted to see, when change was right in front of them.

JS: If you walk into a boardroom and everyone is wearing a blue suit with a white shirt and a striped tie, and is a male that graduated from an Ivy League university and is between the ages of 45 and 55, that company is in trouble.

What industries seem to be most challenged by shifting?

AA: I don't think any industry is immune to shifts. You tend to focus the most on the ones that are being disrupted in the moment, like media and retail. But the pace of change is occurring across industries, from industrial industries to consumer goods. Procter & Gamble, for years the gold standard in almost every dimension of management and marketing, is struggling to shift ahead in the consumer packaged goods category. Dealing with change is hard when you have a very strong culture and strong way of doing things. One of the stories in the book is told by a former senior executive for Procter & Gamble, and she talked about what she characterized as "the massive middle." The top of the organization, the leadership, knew they needed to move faster; the younger people coming into the organization knew they needed to move faster; but the challenge was the massive middle, which couldn't pivot and shift gears fast enough. AQ

monoxide detectors. Given their size, these little birds would die from the toxic gases sooner than the miners and thus served as a warning when it was too dangerous to work. While this inhumane treatment of animals would never pass muster today, the phrase "canary in a coal mine" has come to indicate early warning signs of major problems. Luckily, there are other inanimate detectors of conditions available to organizations, specifically as they relate to consumer sentiment.

As we know from our extensive work in the field of marketing, sometimes a consumer can tell you what they're thinking and how they feel about your offering. More often, though, they can't. Even with all the qualitative and quantitative research available, we know that consumers tend to be polite, or evasive, when formally surveyed. That's where Big Data can fill in the gaps. Companies today are investing more and more in data collection, building sophisticated "dashboards" to track how consumers behave in real time.

The big concern, however, is that many organizations have not figured out how to use these data quickly enough or accurately enough to be of significant benefit. They can't see the proverbial forest for the trees. They don't always have the ability to detect what's salient to the future of their business. They know they have to keep collecting the data, but don't, or can't, optimally analyze it or evaluate the implications. While it's becoming easier to see consumer behavior in real time, the red flag is in not having the tools or resources to leverage the information effectively; to translate it and apply it. It is essential to invest in a dashboard to collect and track data. It is equally critical to invest in it the capability to decode and decipher what the data means relative to being able to shift ahead in a timely and relevant way. If your data are collecting dust, that is another red flag.

Allen Adamson is a noted industry expert in all disciplines of branding. He has worked with a broad spectrum of consumer and corporate brands in industries ranging from packaged goods and technology, to healthcare and financial services, to hospitality and entertainment, as well as brands in the nonprofit sector. Adamson is founder and CEO of BrandSimple Consulting.

Joel Steckel has been with NYU for more than 20 years. His primary research areas of interest include marketing research, marketing and branding strategy, approaches for one-to-one marketing, managerial decision processes, and methodologies for measuring consumer performance and behavior.

Tools to Develop a CEO MINDSET

BY TIM LEWKO

Many executive leadership strategies miss the mark because they don't give leaders and managers the skills and techniques they need.

To deliver better—more consistent, predictable, and sustainable—financial results, you must outfit your key leaders and managers not just with the mindset of a CEO but also with the toolbox CEOs use to create that mindset as they think through and beyond the issues facing their firms.

A CEO MINDSET, TOOLBOX TO FACE BUSINESS CHALLENGES

The need for speed, fluid global events, and a nonstop influx of information are some of the pressures leaders grapple with every day. Executives and managers in many companies are unable to deliver valid and viable solutions because they are not bringing the right lens and toolkit to bear on the critical issues they face.

Compounding these factors are realities such as fierce—and in many cases unseen—competition; short attention spans; fickle customers; and employees ready to migrate at the sign of a larger paycheck.

Many executive leadership strategies—the nature and methods for how they influence and develop people to deliver results—are lacking a CEO mindset and toolbox to analyze and tackle these new realities and deliver results. In many companies, this lack of development can cause:

- Unsound rationale to prevail for why financials are up or down
- Scarce resources to be incorrectly channeled to the wrong initiatives
- Future leaders to be ill-prepared to take the helm

Everyone on leadership teams needs to cultivate CEO-like mindsets, and I would argue that anyone in the organization with P&L responsibility should have the same goal.

This is not to say that everyone can or wants to be a CEO, but equipping leaders and managers with a practical and tangible toolkit to better tackle the external and internal demands of their job—no matter the country, industry, or size—will yield better outcomes. A toolbox of this type is the most pragmatic and tangible thing companies can do to develop their people and ensure more predictable results.

Left to their own devices, the vast majority of leaders and managers rely on what has gotten them to the place they are now—the operational discipline they grew up with. Through no fault of their own, approaching strategic issues and decisions with an operational toolkit will not produce the broad range of acumen needed to resolve issues. They need to embody the thinking traits of successful CEOs, and this is made real with the CEO toolbox.

There are many schools of thought on what the success factors are that represent CEO thinking. It is not my intent to pick the best ones here. However, over my 18 years of experience across four continents working with hundreds of executives and CEOs, I have seen three traits in top executives repeat themselves. These are:

Taking ultimate ownership of performance. Outstanding CEOs understand that they are ultimately accountable for the performance of the business. In turn, they are specific at clearly cascading this belief down to the people they lead in the organization and tying their activities to the critical few financial goals of the company that define success.

This ownership mentality becomes pervasive in companies because the best CEOs "get" the numbers. They can distill the critical few lines of the P&L in a very simplistic yet powerful way because they understand both the revenue and the cost side of the equation that delivers profit.

Ultimate ownership is more than a slogan or a point of view. It is a principle CEOs embody and translate because they understand how the activities of the company fit together to create value. Take inventory of your CEO mindset by asking yourself and those you lead, "Do you understand the P&L of your business and where value is created?"

Naturally linking outside to inside. Good CEOs have a seemingly sixth sense—some gifted, others acquired through discipline—to smartly identify the vital external trends and internal capabilities that are fundamental to success in the industry. They know what makes the business tick.

This ability to identify and extract the relevant external and internal factors ensures a more complete read of a problem and yields better context for making tough choices. Too many times, an executive strong in one operational discipline (such as sales, finance, or operations) makes decisions by relying only on his or her functional strong suit and with only an internal perspective. As the analogy goes, taking a sword to a gunfight never has a good ending.

This approach lies in stark contrast to great CEOs who approach issues with an "Outside-In" perspective. This perspective gives them a more complete picture of the true reality, the specific options they have to impact change, and the corresponding implications that need to be considered. Here again, test your CEO mindset by asking yourself and those you lead, "Do you naturally bring an outside to in viewpoint when confronted with business issues?"

Thinking "now" and "next" simultaneously. The third trait of successful CEOs is their uncanny ability to raise "now" and "next" lines of questioning in regard to current business performance. If the company is having a record year and people are caught up in the euphoria, the CEO is contemplating what's next. Too many leaders spend far too much time "in the business" versus "on the business." Leaders should be equipped and always thinking about what the path for future growth is while delivering on today's numbers.

The best CEOs seem to be a step ahead, and they actively cultivate this thinking—considering what is happening now and what can happen next—with a very defined framework of thinking. This framework allows them to always consider the three levers that determine the fate of any business—the growth options relative to products, markets, and capabilities.

But many CEOs are without a tool to accomplish this type of future scenario thinking. Here, test your CEO mindset by asking yourself and those you lead, "Do you have a go-to framework to think about options to fuel future growth?"

If these are the three traits many great CEOs personify, how do we get our executive leaders to adopt and build a more CEO mindset to tackle the internal and external challenges they face in today's business environments? They must learn tools that drive those traits so that the CEO mindset becomes a normal approach to issues they face. This is what I call the CEO toolbox, which contains three tools to trigger CEO thinking and results.

TOOL NO. 1: Revenue – Cost = Profit, or RCP Model

While leadership assessments, motivational training, and coaching rightfully abound in many organizations, a gap remains unchecked as many executives and managers still do not have a full grasp of the P&L and corresponding R–C=P equation.

Too many times, sales thinks "price" and operations thinks "labor" when looking for a solution because the company is behind on hitting its profit target. Leaders would have a broader range of options to fix this miss if they were using the CEO toolbox, which would naturally approach the profit miss from both the revenue and the cost side of the question.

Ensure this equation is understood to help you and your executives get a full grip on the levers they can use to impact the profitability of an organization. The RCP Framework is illustrated in Figure 1.

> “Do you have a go-to framework to think about options to fuel future growth?”

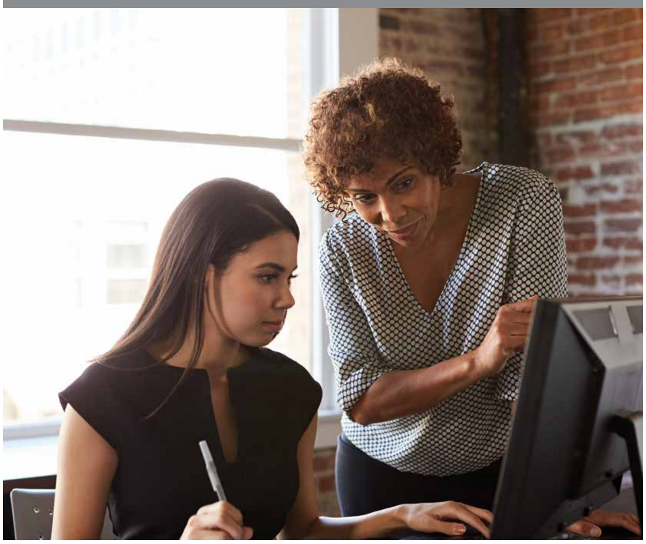
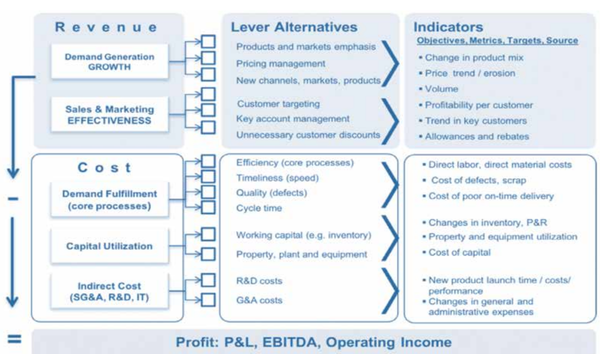


Figure 1: RCP Model—Look at all the factors that deliver profit



RCP Framework

Promotes	Prevents
• Accountability • A fuller range of options to address performance • Better cross-functional understandings	• Silo behavior • Only revenue or cost side solutions gaps

TOOL NO. 2: Strategic Assumptions + Implications to Instill Outside to Inside Thinking

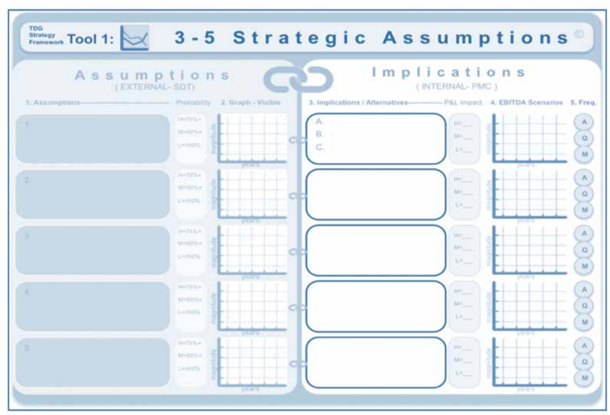
Linking outside to inside is a fundamental starting point that great CEOs use when addressing issues. No issue in the company is really ever isolated to internal-only factors. But many managers and executives want to find solutions without considering external issues.

Every great leader and visionary has one eye on the critical external forces and the other on the internal abilities he or she commands, and can find the sweet spot of unmet needs. Great CEOs consciously construct a clear picture of the assumptions they have of how the industry will unfold and use this visibility to generate implications for their business.

I find that in many cases, companies that are underperforming financially usually have leadership teams that are debating internal responses when under fire from competition or customer demands. This is because there is no alignment on external assumptions of how the industry will unfold. This gap needs to be corrected.

The Strategic Assumptions + Implications Framework is illustrated in Figure 2.

Figure 2: Assumptions (Outside) to Implications (Inside) ensure a more balanced perspective of the situation and offer a greater opportunity to assess internal and external risks



External Assumptions / Internal Implications

Promotes	Prevents
• Probability and impact thinking • Identifies a broader range of scenarios that may unfold • Cause-effect rationale	• Insular thinking • Unbalanced analysis • Data overload

TOOL NO. 3: PMC Engine to Instill Growth Thinking

Growth is always about focus. It’s always about now and next. Growth flourishes when executives constructively know where to look, such as new products and/or new markets, and are willing to say yes and no to options based on clear criteria.

As described earlier, today more than ever growth opportunities are abundant, but many CEOs still feel like they are overrun by the “shiny object syndrome”—in which their

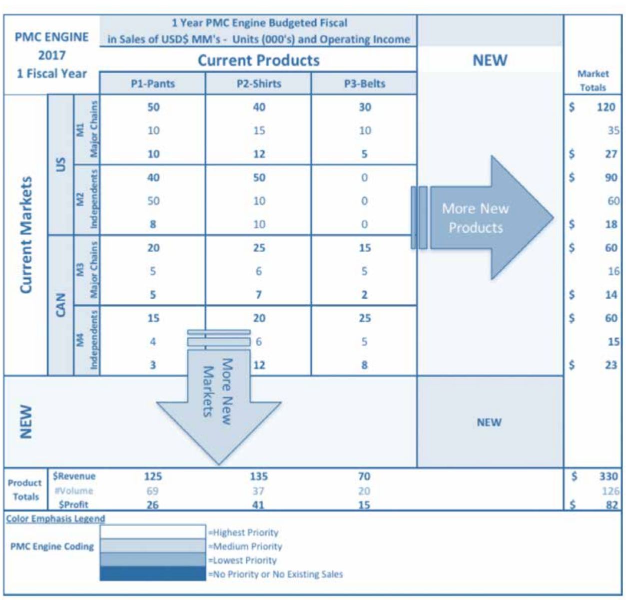
“To gain more CEO-like resources in your company, you need to transition from mere trait identification to a **CEO toolbox** for your organization.”

executive teams jump from one new thing to the other based on unclear criteria.

To avoid this frenetic search for growth, a common framework must be in place to think about growth. Many company leaders think about growth, but they don’t have a powerful construct to really allow themselves and those they lead to focus clearly on what’s next.

The best CEOs use a version of what I call the PMC Engine, a simple yet powerful matrix that on a single page combines the fundamental levers of strategic decisions—product, market, and capabilities—with the dimensions of “current” and “future.” This tool prepares leaders to have the CEO mindset that enables them to always be thinking about and evaluating growth options.

Figure 3: PMC Engine—Illustrating the current and future options to consider for growth



PMC Engine for Growth

Promotes	Prevents
• Visibility of growth options	• Out of our competency options from taking root
• Proactive thinking	
• More valid growth options	

Pressure to perform? We all have it, if we are leaders or want to be.

To set yourself or your company apart, you need more CEO mindsets and tools to tackle problems and the greatest challenges your company faces. To gain more CEO-like resources in your company, you need to transition from mere trait identification to a CEO toolbox for your organization—one that answers these three questions:

- Do you understand the P&L of your business?
- Do you naturally bring an outside to in viewpoint to business issues?
- Do you have a go-to framework to think about growth?

Your toolbox should also have these tools (or ones that drive a similar intent):

- P&L understanding: RCP model
- Outside–in: Strategic assumptions
- Now and next thinking: PMC Engine

These traits and tools in tandem provide a broader lens and a more consistent and common approach that yields far better resolution, decision making, and anticipation of issues. AQ

Tim Lewko is the CEO and managing partner of Thinking Dimensions Global (TDG) and managing director of the Global Strategy practice. He works primarily with CEOs and senior leaders of private equity, Fortune 1000, and multinational businesses to resolve strategic growth and profitability challenges.

Beyond the Federal Regs

A surge in state and local legislation is impacting (and complicating) employment law compliance.

BY ASHLEY KAPLAN, ESQ.

As if employment law compliance wasn't challenging enough, a flurry of state and local legislation is keeping even the savviest of business owners, HR departments, and legal counsel on their toes. Gone are the days when managing only a handful of federal laws—such as the Fair Labor Standards Act (FLSA) or Family and Medical Leave Act (FMLA)—was needed to maintain a current and legally compliant workplace.

Today's businesses must keep a close eye on rapidly evolving state and local-level activity, which can cover a wide range of employee rights and protections. This adds a whole new layer of complexity to your compliance responsibilities—especially if you're a large employer with a centralized HR staff that now needs to scrutinize legislation in 50 states, as well as hundreds of cities and counties.

Why the uptick in state and local legislation?

The present compliance environment didn't happen overnight, nor can it be traced to a single factor. It's the result of many influences, key among them the impact of federal deregulation under a Republican Congress since 2010 and the current Republican-led administration.

As the senior employment law attorney for ComplyRight, Inc., I've witnessed this development firsthand. As federal regulators move at a slower pace or roll back regulations altogether, state and local lawmakers are stepping up. They're issuing new regulatory updates to fill the gap, often expanding the provisions of the stalled or stagnant federal laws.

A clear example of this is the minimum wage. We haven't seen a change in the federal minimum wage in nearly a decade; the last increase, which raised the rate to $7.25, occurred in July 2009. During those years with no movement at the federal level, 31 of 50 states responded by raising minimum wage requirements above $7.25, with about a third of those approaching or exceeding the $10 mark.

Drilling down even further, changes are also happening at the local level. In 2016, when we began monitoring more than 22,000 local regulatory authorities, we identified several city and county regulators issuing local-level minimum wage requirements.

Currently, this trend extends beyond the major urban centers that typically make the news for bumped-up employee protections, such as New York City, San Francisco, and Chicago. Even in a state such as Iowa, which follows the federal minimum wage, certain counties within the region have higher—and different—minimums.

Other legislative trends to watch

Minimum wage isn't the only employment matter picking up steam with state and local lawmakers. In fact, hundreds of new employment-related bills were introduced in the first quarter of 2017 alone. They cover topics such as right to work, criminal history restrictions, privacy of salary history, wage transparency, predictable scheduling, and sick pay.

Here's a closer look at a few of them and how they could affect your business in the coming months:

Opportunity to work law for part-timers. According to the Economic Policy Institute, about 6.4 million workers across the nation sought full-time employment last year but were unable to find anything but part-time work. To address the issue, the city of San Jose, California, approved a landmark law that requires companies with 36 or more employees to offer extra hours first to part-time workers before hiring new staff. The California legislature also proposed "The Opportunity to Work Act" with similar requirements.

"Ban the box." By prohibiting employers from asking about a criminal conviction on the job application, this legislation gives job candidates a chance to move forward on their own merits and skills. Nationwide, 25 states and more than 150 cities and counties have some type of ban-the-box legislation for public employers. Nine states require the removal of conviction history from job applications for private employers. Some versions of the ban prohibit employers from asking about criminal history until after an interview, while others require the employer to wait until a conditional offer of employment.

Salary history restrictions. If you routinely ask applicants about their salary history during the hiring process, you may need to stop. New laws in Massachusetts, Delaware, Oregon, and Puerto Rico prohibit this practice—and similar laws are pending in California, Connecticut, Nebraska, New Jersey, Texas, and Washington.

Wage transparency. Several states are evaluating legislation regarding salary disclosure in the workplace. These proposals would make it unlawful for employers to prevent employees from sharing or discussing their salaries with other employees. Why does this matter? Without wage transparency, a company may have an unfair edge in salary negotiations if an employee doesn't know what his co-workers are making.

Schedule-related legislation. "Predictable scheduling" laws require advance notice of scheduling and fair compensation if employee work schedules are suddenly changed. These laws limit "just-in-time" or "on-call" scheduling practices, mostly in the retail and restaurant industries. San Francisco's predictable scheduling law became effective in 2015, and Seattle passed a similar measure that took effect in July 2017. The New York City Council is considering similar legislation, and the issue is expected to gain traction in more cities across the nation.

Sick pay. Providing paid sick time is not a federal requirement for private businesses, but several states have come forward with their own benefits. While the details regarding these laws vary from state to state, the trend involves requiring as many as 40 hours of sick pay per year for large employers. Connecticut, for example, requires an accrual of one hour of sick pay for every 40 hours worked, while the rate is one hour of sick pay for every 30 hours worked in California.

What conscientious employers can do to stay compliant

Today's complex compliance environment requires careful monitoring and prompt response by employers big and small.

So where do you begin? During this time of increased, multilevel legislation, you should:

• Conduct an internal audit of your employment practices to gauge your compliance with current federal, state, and local regulations. I recognize this can be particularly tricky if you have several locations across states, cities, or counties with unique requirements, but this review is essential for an accurate benchmark.

• Address any problem areas that require a change of policies or practices. For example, when the minimum wage varies at the federal, state, or local level, you must provide the rate most beneficial to employees for any given business location.

• Display local minimum wage postings in addition to mandatory federal and state postings. Even if the rates conflict, you must include all related postings in your workplace posting center.

• Going forward, either assign internal resources or rely on an outsourced partner for posting compliance.

Deregulation at the federal level may or may not impact your requirements—depending on your locations and business practices—but the rapid pace of state and local employment laws demands extra diligence. You may need a reliable and experienced posting service to monitor changing laws and provide new or updated workplace postings, as necessary. AQ

Ashley Kaplan is a senior employment law attorney at ComplyRight, Inc., a company that produces products and services that address the real-world compliance challenges that employers face every day, from hiring and training, to time tracking and recordkeeping, to labor law posting and tax information reporting.

Strong Minimum Wage Momentum with State and Local Lawmakers

Although the minimum wage is $7.25 federally, it's higher in these cities and states—a situation where the more generous employee wage must be honored.

Chicago, Illinois: $11/hr.

Cook County, Illinois: $10/hr.

Flagstaff, Arizona: $10.50/hr.

Los Angeles County, California: $12/hr. ($10.50 for employers with 25 or less employees)

Maryland: $9.25/hr.

Montgomery County, Maryland: $11.50/hr.

Oregon: $10.25/hr. ($10 for rural counties)

Pasadena, California: $12/hr. for larger employers ($10.50 for smaller employers)

Portland, Oregon: $11.25/hr. for metropolitan area

San Francisco, California: $14/hr.

San Jose, California: $12/hr.

Washington, D.C.: $12.50/hr.

BUILDING a STRONG CULTURE to Thrive During Organizational Change

BY CHRISTINA ZUREK

The key to success during the inevitable times of change and disruption in today's rapidly evolving economy is proactively and intentionally focusing on organizational culture. But what does organizational culture mean?

That definition can be as varied as the challenges presented to today's business world. In its most traditional form, culture is a company's ability to define and align the organization around shared core beliefs and desired behaviors. It encompasses individual and collective feelings about shared identity, purpose, and sense of belonging, as well as perceptions of competence, fear of failure, and other factors that define how employees behave—and ultimately influence an organization's success. But more than that, it's the reputation that is called to mind by the mention of your organization's name. The implications of that perception reach far beyond your internal walls.

DEVELOPING YOUR STRATEGY

The external factors (societal, political, and economic) and internal factors (employee perceptions and behaviors) that impact organizational culture are becoming more complex and posing greater challenges to management. The most common major disruptions include organizational restructuring, high-profile public relations challenges, and mergers and acquisitions. But disruptions come in all shapes and sizes—and something as seemingly minor in scale as the loss of a single influential leader also can impact culture in debilitating ways.

Whether the disruption comes on suddenly or is planned for, employee response will significantly impact the transitional period. During disruptions, employees often feel vulnerable, as if the ground is shifting beneath them. This fear manifests itself in different ways, most often through decreased engagement, lost productivity, and increased turnover. But you don't have to accept those pitfalls as inevitable. A strong culture—groomed to accept the inevitability of change—can be your best defense.

Although building a strong corporate culture takes proactive planning, solidifying a successful corporate culture before a disruption is essential to creating stability in uncertain times. By leveraging the strength of your existing culture and amplifying efforts to focus specifically on the challenge presented by your current disruption, you enable your

organization to regain its footing faster—and, ideally, emerge stronger than before.

JUSTIFYING INVESTMENT IN CULTURE

As noted previously, ignoring or dismissing the importance of organizational culture can be costly—and the reasons why are logical. Consumers want to do business with companies that treat employees well and demonstrate integrity. And employees do better work when they're informed, aligned, and engaged. Unfortunately, despite numerous studies that have found that disengagement and loss of talent increase during any disruption, companies struggle to proactively align, engage, and prepare their employees to cope with change by building that foundational culture. The result is staggering losses in engagement and skyrocketing costs.

A recent Center for American Progress study detailed the costs associated with replacing employees: 16% of annual salary for high-turnover, low-paying jobs; 20% of annual salary for midrange positions (earning $30,000 to $50,000 a year); and up to 213% of annual salary for highly educated and experienced positions. For example, the cost to replace a $100,000 employee is $213,000.

With the stakes so high, it is clear that corporate culture cannot be left to chance. Unfortunately, many people assume that corporate culture can develop organically from the collective traits of the people who lead and manage it. But this is a false and dangerous assumption. In fact, culture needs to be carefully crafted and nurtured to engage, motivate, and align employees to work together—to stand behind a unified purpose that allows them to withstand change.

BUILDING CULTURE, ACCEPTING CHANGE

According to a recent survey of more 2,200 executives by the Katzenbach Center, almost half of organizational change management efforts fail. The same study found that 85% of those executives believe culture is critical to their organization's success, but only 35% believe it is effectively managed. Behavioral science is a key link in remedying this disconnect and also in understanding why change management is so difficult to execute successfully. People resist change for a variety of reasons—they may be skeptical due to past failed change efforts, not understand the reason for change, or not feel involved in the change process. Often, people understandably feel threatened by change, or competing priorities create change fatigue.

Understanding how people are motivated is the first step toward overcoming inherent resistance to change, and thereby proactively establishing a resilient company culture. It's important to recognize that people are motivated differently—some more from influences within and some by influences without. These two types of motivators are known as intrinsic and extrinsic.

Intrinsic motivators move people to perform an activity because the potential outcome is personally rewarding. Motivators include purpose, belonging, status, social contact, mastery, drive, autonomy, and learning. Engagement tactics include shared experiences, volunteerism, networking opportunities, workplace dynamics, positive encouragement, freedom of choice, training and education, and skills advancement.

Extrinsic motivators inspire people to perform and change because of the potential for an external outcome. Motivators include competition, praise, tangible awards, money, benefits, fear of failure, social recognition, and advancement.

Because people are motivated so differently, it's critical that you look to blend both intrinsic and extrinsic motivators within your cultural message to employees.

HOW TO BUILD CULTURE

Culture is important for more reasons than just to weather change and disruption, though. And it's also probably clear by now that great organizational culture does not just spring out of thin air—it needs to be carefully constructed. Here are five key steps to get you started on the all-important goal of creating a culture that secures overall organizational excellence:

Perform a culture diagnostic. This can be done through surveys and employee interviews, and the goal is to identify your gaps—what do employees really think of your organization and what would they like to see change? This data can be used to better define the existing strengths of the culture and areas that need some help and, finally, to identify motivational trends within your organization.

Define the behaviors necessary for the new initiatives to take hold. For example, if the company is overhauling its customer service processes, focus your motivators on driving the behaviors that are in line with those new efforts.

Align the team with the cause. The entire team must understand the mission and have buy-in to the cause. This starts with senior leadership alignment and is conveyed through consistent and engaging communication.

Assign change ambassadors to develop employee networks for communication. Change ambassadors should be well-respected team members who exemplify the company values and have a clear understanding of the mission intent. Employee networks should be fun and creative, using tools such as social media, newsletters, videos, and special events.

Use a storytelling strategy. Leaders, managers, and change ambassadors should employ a specific strategy to communicate quick wins and keep the team aware of the progress of the changes.

HOW TO TRANSFORM CULTURE

At ITA Group, we decided to turn the lens on ourselves in an effort to increase alignment and market relevance. Wrapped in the theme "Be the Reason" to emphasize our commitments, this was not just a feel-good campaign generated by corporate communications or human resources. It was a collaborative team effort for all members. Initially, we utilized information gathered through strategy meetings, employee surveys, and focus groups to craft messaging that demonstrated our shared purpose, identity, and intent. But it also helped us see areas where we weren't aligned and that we needed to bolster.

To clearly and consistently publicize our shared mission, we connected our audiences with compelling messaging and experiences delivered through multiple channels and media, such as web, email, direct mail, videos, team member and client testimonies, social media, team member benefits and rewards, and corporate team-building events. In addition, we relied on a number of additional motivators, including:

- Distinctive milestone anniversary gifts including airline tickets and sabbaticals
- Enhanced training opportunities and performance incentives
- Family movie nights, happy hours, baseball outings, and family volunteer opportunities

Team members shared their personal perspectives and experiences on how they contribute to the success of our organization and ultimately to the success of our clients. A "Be the Reason" chat group was formed in an internal social channel so that members could share their volunteer experiences and encouragement throughout the community.

The outcome of this effort to enhance our ITA Group corporate culture was substantial. Our analysis determined these measurable results:

- 3% increase in customer satisfaction, to nearly 95% company-wide
- 4% increase in overall retention of employees
- 41% increase in hired employee referrals
- 44% increase in classroom training attendance
- 38% increase in volunteer hours used

Our culture transformation reflected a snapshot of how a company can measurably elevate its culture through a systematic initiative and position itself for success both internally and externally. Our experience—and that of other companies—confirms that culture is an increasingly important enabler that defines organizational excellence. In a world of constant, often unexpected disruption, the proactive nurturing of an engaging culture can retain talent, increase relevancy, and drive significant bottom-line growth. AQ

Christina Zurek is a solution manager for ITA Group. She creates business strategies and market plans that enable ITA Group to deliver innovative organizational culture solutions. ITA Group creates and manages recognition and incentive programs that align and motivate people. Headquartered in West Des Moines, Iowa, ITA Group has operations in every region of the United States.

FOUR TRENDS in Workforce Planning

BY ELISSA TUCKER

Workforce planning is growing up.

The process of "getting the right people with the right skills in the right place at the right time" is moving out of HR and into the business in order to focus more directly on strategic objectives. Increasingly informed by analytics, the workforce planning process today reflects an awareness that recruiting isn't the only way to close a skills gap and that plans must be flexible to get results. These are among the findings of APQC's Strategic Workforce Planning Best and Next Practices research study. The study, which included a wide-scale survey and examination of top performers, pinpointed key trends and future predictions for this important process to ensure the hiring and placement of mission-critical talent.

Workforce planning has moved beyond being a once-a-year, HR-led, headcount-planning endeavor. In late 2016, with sponsorship from IBM, APQC (a member-based nonprofit specializing in benchmarking and best practices research) launched a study to better understand how organizations develop and implement strategic workforce plans. The research included:

- A survey of 101 global organizations with relatively mature workforce planning processes
- Analysis of the practices of the top 25 survey participants based on program outcomes
- Interviews with five organizations that exemplify best practices: the MITRE Corp., Kaiser Permanente Northern California, Philips 66, the U.S. Department of Agriculture Farm Service Agency, and the U.S. Geological Survey

Here are four trends identified by APQC:

TREND NO. 1: Workforce Planning Becomes a Business Process

Although traditionally an HR responsibility executed in an ad hoc fashion, workforce planning today is being integrated with formal business planning processes. Among the top performers that APQC studied, workforce planning is a strategic issue and thus a management responsibility. This means that HR's role has shifted to providing a small, qualified team to oversee and manage a standardized workforce planning process. HR's contributions are specialized input, facilitation, and enterprise coordination.

The business units' new role in workforce planning is to create and implement long-term workforce plans to sustain the organizational mission. Business unit leaders are in a position to ensure that plans address the most current and pressing organizational needs. When business leaders see the value in the plans that are created, they are more likely to take the steps necessary to ensure plans are implemented.

For example, at the U.S. Geological Survey, a critical success

factor has been the strong business support for workforce planning. Its process aligns strategic planning, human capital planning, and budgeting to ensure the enterprise has the mission-critical talent needed to meet its goals.

The HR function plays an advisory role by providing a dedicated workforce planning program manager, a workforce data and analysis program manager, and a program analyst. This team facilitates the workforce planning process, which is carried out by a multidisciplinary group with expertise in strategic planning, budget and financial management, HR and diversity, and management analysis. Once plans are created, senior managers hold subordinates accountable for implementation.

TREND NO. 2: Analytics Informs Workforce Plans in Expected and Unexpected Ways

Effective workforce plans are built on accurate forecasts of supply and demand. To strengthen this foundational element, top performers are building analytics capabilities to model scenarios, predict outcomes, refine subgroups, and develop more targeted workforce plans.

Business leaders are receptive to an HR workforce planning team with analytical capabilities. With a focus on addressing leaders' current business challenges, the team can use analytics as a conversation starter to help them gain a more nuanced view of current workforce characteristics and future needs. This information drives more relevant and effective workforce plans that the business has a strong interest in carrying out—a critical component of shifting implementation accountability beyond HR. Among the organizations that APQC studied, the analytics not only established the workforce planning team's credibility but also drove increasingly accurate workforce forecasts, highlighted critical variables, and provided a greater range of scenarios prioritized by likelihood.

MITRE provides an example of how business unit interest in analytics can establish credibility for the workforce planning team and prompt discussions that lead to better workforce plans. MITRE's technical, skilled workforce—and management—is regularly engaged in analytical techniques in the course of its work. Its workforce planning team uses analytics to start conversations with business leaders. They talk about what the workforce numbers really mean in the context of enterprise strategy. Based on this qualitative information, the team builds more relevant scenarios that ultimately lead to more specific directives for the workforce plans. This has resulted in better decisions regarding where to recruit and uncovered opportunities to retrain and move employees to fill skills gaps.

TREND NO. 3: Organizations Expand the Toolkit to Close Workforce Gaps

Organizations have traditionally relied on recruiting to close skills gaps—and to a smaller degree, development. APQC has found that top performers are now leveraging a wider range of talent management solutions for workforce planning. That is, they consider build, borrow, buy, redeploy, and redesign strategies in their workforce plans.

In fact, top performers in workforce planning use talent redeployment and work redesign as implementation strategies significantly more than all other organizations surveyed by APQC. With more advanced planning and with plans that more closely reflect organizational strategy and business needs, top performers have the lead time and information needed to redeploy existing workers and to redesign jobs.

Consider the U.S. Department of Agriculture Farm Service Agency's broad approach. Its workforce planning solution set touches all components of the human capital arena, including development, recruitment, knowledge management, engagement, organizational structure, and succession planning. Risk assessments address a larger spectrum of workforce challenges, such as general attrition and position elimination. A sustainability model indicates how and where people can advance by factoring in transferrable skills and competencies among several occupations. And the central workforce planning team helps identify knowledge that needs to be retained, what type of knowledge it is (implicit or tacit), who has that knowledge, where it needs to be transferred, and what knowledge management intervention is appropriate.

TREND NO. 4: Workforce Plans Get Adjusted and Get Results

The days of HR creating workforce plans that are left sitting on business leaders' shelves are numbered. With a greater recognition of how workforce planning drives organizational outcomes comes greater accountability for both HR and the business to attend to workforce needs throughout the year.

The top performers in APQC's research study approach workforce planning as a never-ending process, where business leaders are accountable for both implementing and regularly adjusting workforce plans based on results and changing needs. Compared with the other organizations surveyed by APQC, top performers are significantly more likely to make line managers accountable for implementing and adjusting workforce plans. These organizations understand that without line manager participation, any hiring or training initiative cannot fully succeed.

During the implementation of workforce plans, a workforce planning team plays an advisory role and monitors outcomes using qualitative and quantitative measures. They conduct regular meetings with the businesses to assess implementation progress and provide guidance on adjusting workforce plans. This ensures accountability and keeps businesses focused on closing skills gaps.

At Kaiser Permanente Northern California, workforce planning is a living process in which the business units are primarily responsible for implementation. The workforce planning team engages with its partners in the business throughout implementation to ensure that strategies are working and meeting the needs of the organization.

The team has found that once implementation is under way, monthly or quarterly meetings with the business work best. Through the course of these follow-up meetings, the workforce planning team supports adjustments to strategies and verifies changes to the plans. The team also tracks implementation progress and reports results. From this ongoing approach, Kaiser Permanente has improved vacancy and time-to-fill rates for critical roles, as well as developed a robust talent pipeline.

FUTURE PREDICTIONS FOR WORKFORCE PLANNING

These four trends will continue to gain momentum. APQC's survey asked workforce planners how the process will change in the future. Their predictions follow:

In relation to the first trend, on how workforce planning will become a business process, survey respondents predicted that workforce planning will be increasingly integrated with other business processes. Additionally, stakeholders will receive training on how to participate in the workforce planning process.

Looking at the second trend, how analytics will inform workforce plans in expected and unexpected ways, respondents predicted that workforce planning will make greater use of real-time data and talent optimization models.

As far as the third trend, on how organizations will expand the toolkit to close workforce gaps, the prediction is that organizations will have a better ability to utilize existing talent and a better ability to manage critical skills.

For the fourth trend, in which workforce plans will get adjusted and get results, respondents say business leaders will invest more into a continuous workforce planning process and will have a better ability to modify staffing levels.

Both HR and business leaders appreciate the need to coordinate human capital interventions and align them with action on the ground. By shifting roles and accountability, HR can drive improvements in workforce planning. Trend setters studied by APQC have already benefited from reduced voluntary turnover, higher employee engagement rates, more jobs filled internally, a more robust leadership pipeline, and a greater return on workforce investment. AQ

Elissa Tucker is APQC's principal research lead for human capital management. With more than 15 years of experience researching HR, Tucker has completed numerous research studies on topics such as leadership, strategic HR partnerships, performance management, and talent management.

Case Management Evolves to Cure COMPLEX PROJECT MANAGEMENT

BY SARA BROWN

Throughout my career in project management, there's a book I've regularly returned to called *The Checklist Manifesto: How to Get Things Right* (Metropolitan Books, 2009).

In it, the author Atul Gawande—who is a surgeon by day—writes about the important role checklists play in everything from performing surgery and flying a plane to building commercial high-rises and running a business.

According to Gawande, no matter the circumstance, boiling down what needs to get done into a series of steps that can be followed in a specific sequence not only breeds efficiency but also can dramatically reduce errors. However, despite the best-laid plans, curveballs are inevitable. Gawande says communication is the essential ingredient for ensuring successful outcomes when unexpected situations arise. He advocates the use of checklists to complete standard processes and create a system that enables open and effective communication and collaboration for handling the unplanned scenarios that inevitably occur.

By definition, project management involves a specific set of operations—initiating, planning, executing, monitoring and controlling, and closing—designed to accomplish a singular goal. Many would agree that project planning is the linchpin in project management. Identifying and recording the goals, budget, timeline, resources, execution steps, and dependencies gives the project team and stakeholders an articulated set of expectations, an estimated delivery schedule, and a control artifact against which to measure progress.

In theory, a strong project plan will result in a successful, completed project that has met expectations. But a plan is not enough, in and of itself, to guarantee success. The project plan "checklist" is rarely sufficient because projects are rarely static. In reality, project management demands fluidity.

On top of surprise variables and unexpected wrinkles, projects can be complex and unwieldy. Shifting requirements, constrained resources, and dispersed teams all add up to complexity and make effective project management essential. Despite their defined, structured processes, projects don't unfold linearly as they run their course—especially in today's business arena.

At the same time, the bar for success is set even higher. An increased focus on project outcomes beyond the typical project-specific metrics has emerged as the C-suite is holding managers throughout the organization accountable for delivering results aligned with the company's strategic goals.

DIAGNOSING THE PROBLEM

According to Project Management Institute's 2017 "Pulse of the Profession: 9th Global Project Management Survey," 32% of projects lost their budget upon failure and 14% were deemed failures. Nearly 50% of respondents' projects experienced scope creep or uncontrolled changes to the project's scope. It may seem that with the many great technologies available these days to plan, monitor, and analyze data, projects should be simpler and easier to manage, but PMI's survey shows that 41% of respondents considered the projects they took on to have a high level of complexity involved. These figures are more understandable once you consider why.

Projects have become more complex due to a number of factors: more systems, more data, more geographically dispersed resources, more communication channels, more security requirements, and more regulations, to name a few. Ninety-three percent of PMI's survey respondents said that their organizations use standardized project management practices in at least some departments, and 55% said that they are used in most departments if not throughout the organization.

When you're dealing with an array of people, systems, data, deliverables, and regulations, directing and managing project work can become convoluted. In the face of these complexities, flexibility is essential. A growing trend to address this need is the embracement of agile methodologies by many project management offices (PMOs).

Seventy-one percent of respondents to PMI's Pulse survey reported that their organizations are using an agile approach for projects at least some of the time, and 41% of the projects themselves are using an agile methodology or a hybrid agile approach. Among successful organizations (defined by PMI as those "with 80% or more of projects being completed on time and on budget, and meeting original goals and business intent"), a majority use agile approaches to projects.

Leveraging agile methodologies is helping to drive project success by introducing shorter delivery cycles, scope flexibility, requirements evolution, and team empowerment. Flexibility promotes project health as unforeseen situations and complications require deviation from the project plan. Sometimes these deviations may be significant, requiring extra time and resources not planned for—leading to the introduction of unstructured processes. Unstructured processes are the flip side to structured processes that have limited and previously known and defined paths, with routing driven by variables that are part of a known, finite set. That's why agility is key.

THE PRESCRIPTION YOU NEED

But an agile approach itself may not be sufficient when riding waves of complexities. Supporting tools and systems are essential when dealing with the complex projects of today. Standardized practices go hand in hand with standard technology, but these project management solutions aren't typically equipped to handle complexities—especially within the execution phase. Even robust project portfolio management (PPM) tools that excel in planning, monitoring, and control, such as Microsoft Project, struggle with delivering value in the execution of a project. This is the very place where the meat of any project lies and, frankly, where most project managers face challenges. There is a void.

Of course, there are many tools and processes that support agile methodologies, and these can provide substantial benefit during the execution phase. But what you need is a framework that will provide the flexibility to manage both structured and unstructured processes, and this has become more critical as projects have become more complex.

On the one hand, you've got tried-and-true PPM tools that handle the planned, structured processes effectively. And on the other, you've got agile tools designed to support unexpected, unstructured processes. How do you utilize these together to drive successful execution of a complex project? Technologies that comprehensively support the execution phase of a complex project are harder to come by, and to some extent, project managers may not even be clear on what they actually need or should be looking for in a solution.

JUST WHAT THE DOCTOR ORDERED

Cases, like projects, have a distinct beginning and end and require collaboration. The difference lies with procedures, which aren't strictly defined; the collection of steps needed, which may differ; and the order in which those steps will be followed, which can change at any time. Depending on the people involved and the data you've collected, you may find that the activities and the route they follow vary for every case you manage. In short, the process is unstructured.

"What you need is a framework that will provide the flexibility to manage both structured and unstructured processes, and this has become more critical as projects have become more complex."

If you've ever been unlucky enough to be involved in a car accident, you've seen a perfect example of traditional case management—a police report. Such reports start out with a standard form, capturing data about the unwilling participants and a set of details unique to the circumstance. However, the process can follow a multitude of paths, depending on the facts surrounding the accident. Typically, many different people are involved, and the steps involved and the order of those steps are determined by the specific instance, or accident. Ultimately, a case has a disposition or closure.

As the example above shows, collaboration and information sharing are needed more than structured task management and planning. And the process must remain fluid because new information that might change the plan arrives constantly. Hence the emergence of systems and tools for case management.

As the need to accommodate ever-greater complexities has increased, technologies have greatly improved case management and case outcomes. Case management systems can solve challenges that most standard project management tools can't. These systems can better gather and archive data, simplify collaboration and communication, and grant greater visibility and governance.

Let's examine how a Fortune 500 U.S. consumer goods company might approach a research and development project. Imagine you are part of a team tasked with creating a new formula for your company's laundry detergent. Charcoal-based consumer products have expanded beyond their traditional odor-elimination and water purification markets to the personal care market, fueled by consumers' fascination with "natural" and "organic" products. The challenge: How do you incorporate charcoal into your detergent without impacting the whitening effects of your most successful, market-leading formulation?

Each R&D trial for the new laundry detergent entails bringing together different ingredients, equipment, and personnel. These variables translate into a high probability of deviation from the original plan. Every tweak to the formula will require more testing until you are finally ready to take the detergent public. At a very high level, this process seems structured and repetitive. Still, every time you run through a test, you never know what you're going to find.

While a standard project management tool is sufficient for handling a single run-through, the odds of getting the formula right the first time are slim to none. The PPM tool simply won't predict how many different iterations you'll do before developing a shelf-worthy product, and it will barely prepare you for multiple rounds of testing. As a result, you'll end up wasting your organization's resources and will most likely take longer to complete the development cycle.

What you need is a system or technology that enables you to better track your activity and capture all the data from each run so that the results can be accessed and analyzed for future product development. All the while, this tool should automate repetitive processes within the project, such as scheduling equipment and ordering supplies. As projects have become more complex, implementing technology that's flexible enough to manage both structured and unstructured processes during the execution phase has become critical. Yet managing the processes of a case isn't the only capability you need.

WHAT'S UP, DOC?

Let's not forget Dr. Gawande's finding, as there's a lot of wisdom in what he has to say. Having a system in place that allows you to effectively communicate, collaborate, and manage information from all involved parties is essential to keeping your team's project execution on track when complexities exist and unplanned factors arise.

Any given project for a large enterprise requires the involvement of multiple teams—all with differing perspectives and work styles. Rarely are the people involved in a project huddled together in the same conference room. Each person on the project is bringing his or her own point of view and set of priorities. With so many specialists in the house, who's taking care of the patient? That's you—the project manager. You must be able to keep your focus on the overarching project goals of quality, speed, and budget while bringing together the multitude of stakeholders and their different agendas.

When it comes to the intricate projects that abound in today's enterprise, case management solutions may be the answer. By bringing the tools and processes needed to support a complex project, you are treating it like case management.

One such example involves a client in the marketing industry. The company implemented a case management system to better execute digital marketing campaigns, which required involvement from hundreds of different agencies in addition to the agency's internal team. Initially, the company needed to figure out how to give all parties involved greater visibility into the many different components tied to each campaign project. The agency not only needed to know what technical assets existed, but also whether a similar idea or campaign had already been executed for the client.

A standard project management tool alone would not have been flexible enough to account for and deliver what the organization required. Instead, a case management system brought order to volatile processes associated with the campaigns, yet still allowed things to unfold organically. Clients could review and approve digital assets and campaign elements within the system, which would notify the team members working on those campaign tasks, curbing downtime. Plus, all assets were stored in one easy-to-use portal. In addition to creating greater efficiencies, the system improved collaboration. Everyone working on the campaign had a real-time view of campaign progress, communicating seamlessly within the system and tracking their exchanges for reference later.

THE ROAD TO RECOVERY

As mentioned earlier, in the world of enterprise-scale business where complications come with the territory, case management is incredibly valuable. However, it's not my intention to say that case management should replace traditional project management methodologies or solutions. It's meant to overlay project management, providing added support to ensure successful execution during complicated scenarios.

Here is another example: I work with a technology company that specializes in manufacturing precise components for electronic devices. The management team recently deployed case management to better handle product lifecycle management processes, but they weren't solely reliant on such a solution. Instead, they use case management to enhance, not replicate, project management.

In this instance, it was specifically the product lifecycle management phase of new product introduction for which they needed a solution to optimize execution. Each new product introduction project entails everything that needs to happen from the time a new component completes the research and development cycle to the time it hits the market for sale to electronic device manufacturers. Many steps and processes occur in between, from formulating technical specifications within strict quality limits to determining the precise process necessary to reliably manufacture the products at scale, and from producing the molds and forms needed for production to designing and developing the packaging materials needed to supply the company's customers.

This is an example where case management makes sense. All of these processes are coordinated, and everyone has access to whatever they need to do their job. A case management system doesn't replace the need for strong project management disciplines, but it dramatically improves the project manager's ability to execute complex projects by aggregating large amounts of data, allowing for deviation from the plan, tracking the unstructured things that happen, fostering collaboration, providing controlled access to artifacts, and enhancing visibility into project status in real time.

FULL STEAM AHEAD

Because enterprises operate globally, the amount of information being exchanged will only continue to increase exponentially. Similarly, as project complexity progresses and the amount of data involved continues to increase, case management will continue to evolve and enhance project management. Technology is growing too.

Low-code case management software will play an increasingly large role in project management as it places more power back into the hands of business teams who best understand various projects and processes. These teams will be empowered to update solutions through configuration directly and quickly as needs change, since they understand them the best. Business teams will be able to evolve their case management solution, and if it's been built on a low-code platform, they can simply update workflows themselves instead of having to tap others who are unfamiliar with what's needed. Ultimately, this becomes a much more efficient approach to managing your project management.

Additionally, the incorporation of machine learning into case management technology will advance its capabilities for project management. The expectation is that it will predict what might happen next and flag risks to be addressed before there's a negative impact on the project. AQ

Sara Brown is a professional services manager at PMG, which automates processes and integrates systems while improving user experience and enhancing collaboration, to deliver better results, faster, to business and IT managers.

Optimizing Onboarding for the NEXT-GEN EMPLOYEE

BY TOM FRANCESKI

Employee onboarding is critical to organizational success but is often neglected.

Ironically, many organizations spend an incredible amount of time scouting, vetting, and interviewing new employees but put much less focus on acclimating them to the organization and its values and providing them with the resources they need to succeed after they're hired.

Employee onboarding is the process of getting new hires adjusted, quickly and easily, to the social and performance aspects of their new jobs. Onboarding efforts in the first three to six months—when new hires are particularly susceptible to turnover—are most critical. According to a February 2014 survey by BambooHR, companies lose 16 to 17% of their new hires during the first three months.

While all organizations offer some type of onboarding, the formality, quality, and comprehensiveness of onboarding vary widely. When it is done effectively, new hires gain an understanding of expectations, along with the knowledge, skills, and access to resources required to thrive within an organization. Employee onboarding that's less than optimal, however, can make employees feel frustrated and even have second thoughts about their choice of employer.

According to research by the Society for Human Resource Management, about 25% of the working population undergoes career transitions each year. With a considerable percentage of the workforce in flux, organizations must constantly and consistently onboard new talent. Expect this trend to grow as younger generations have a more transient approach to careers; Millennials' "average tour of duty" is only 6 to 12 or maybe 18 months. In comparison, Baby Boomers and Gen Xers stayed at companies 10 to 20 times longer.

Job-tenure trends aside, changing workforce demographics are placing even more onus on employers to pay close attention to the onboarding experience to help attract and empower a new generation of employees in the workplace. As the first official interaction between the employee and the organization, the employee onboarding process can set the tone in providing support and access to resources to help new hires get up and running quickly.

GETTING TO THE NEXT LEVEL

According to Portland State University professor and organizational psychology researcher Talya Bauer, onboarding has four levels:

- Compliance includes teaching employees basic legal and policy-related rules and regulations
- Clarification ensures that employees understand their new jobs and all related expectations
- Culture includes providing employees with a sense of organizational norms, both formal and informal
- Connection refers to the relationships and information networks that new employees must establish

In this way, modern employee onboarding is seen as a vital engagement tool that far outshines its functional and administrative value. Industry analyst firm Aberdeen Research defines employee engagement as "a state of positive work-related attitude, characterized by high levels of energy, emotional commitment, and satisfaction derived from the work itself. When employees are engaged, they feel a vested interest in the company's success and are both willing and motivated to perform to levels that exceed the stated requirements of the job."

Onboarding can elucidate employees' sense of purpose and understanding of their role and contributions to the organization, which can bolster commitment levels. In a study by the Corporate Leadership Council, "Driving Performance and Retention Through Employee Engagement," employees' level of effort and commitment was shown to increase by more than 20% when they are onboarded effectively.

PRODUCTIVITY PITFALLS

The onboarding process involves extensive collaboration among the new hire, the hiring manager or recruiter, and stakeholders in various departments. For the hiring organization, an inefficient and cumbersome onboarding process can rob departments of time and energy they could be spending on other value-added activities.

Onboarding entails an extensive amount of paperwork—signed offer letters, W-4s, I-9s, benefits enrollment forms, tax forms, employee handbooks, noncompete affidavits, 30/60/90-day goal sheets, and so on. The management and completion of that paperwork and other administrative aspects of onboarding often can take up to 10 hours of administrative processing time for each hire. The provisioning of desk/office space, badges and access credentials, computing devices and passwords, business cards, and scheduling of new hire orientation and training are also part of this process.

Cornell University's ILR School, in a fall 2016 paper titled "How do you Measure the Impact of Effective Onboarding Practices?" has characterized a few of these employee onboarding administrative activities as "loss leaders":

- New hire lost productivity (due to workspace, tools, and suppliers not ready/training not scheduled)
- Offline forms printing, handling, and mailing-related costs
- HR admin (full-time employee) processing and data entry for new employee setup
- Mistakes due to manual data entry that needed correction

These productivity drains can become especially pronounced when a large number of employees must be onboarded in a short period of time, such as with seasonal hiring or following an acquisition. It can also be costly; without automation, the cost of employee onboarding can skyrocket.

AVOIDING RISK

No discussion of employee onboarding would be complete without a sidebar on compliance. Numerous federal laws require employers to create and retain various forms of employment records. There can be civil and monetary penalties for failure to maintain statutory records and, in some instances, individual liability and criminal liability as well. The U.S. Department of Labor provides recordkeeping guidelines that include storage time and record type requirements.

Most critically, it's essential that proper records management be in place surrounding employee files so that documents are kept only as long as needed. There's significant liability both when organizations are ordered to produce records and cannot comply and in instances where documents are kept longer than their necessary disposition schedule dictates. Proper maintenance of employment records is also critical to defending against employment-related litigation. In fact, an employer can be sued for wrongful destruction of employment records under the theory of spoliation of evidence.

Labor compliance adds complexity to the document-driven events that fall under the purview of human resources. Tax forms, employment agreements, and benefits forms all require legal and policy-driven sensitivity that must be taken into account in the employee onboarding process.

DIGITAL BY DEFAULT

Increasingly, organizations are onboarding new hires who work outside of a traditional, set physical office location. According to the World Economic Forum, working remotely is "one of the biggest drivers of transformation" in the workplace. Last year, a Gallup survey revealed that nearly a third of Americans now work remotely four or five days a week. The changing nature of work as we know it has implications for the employee onboarding process. It must be Internet enabled and accessible at any time—digital by default.

What's more, Millennials' ideas of how work is done differ vastly from those of previous generations. These so-called digital natives grew up playing electronic games and using mobile apps, and they expect a seamless user interface in all areas of their lives. They have little tolerance for processes that are arduous and time consuming.

With this in mind, today's business leaders are leveraging digital technologies to eliminate cumbersome paper-based processing and streamline the onboarding process. Digitizing content and processes is the first step to recrafting employee onboarding to be more efficient, accessible, and collaborative. Events that previously took days to process manually can be completed in minutes when they're automated, and issues of redundant paperwork and repetition fall by the wayside. What's more, organizations can eliminate errors due to manual data entry and issues of lost or misplaced paperwork.

Best-practice employee onboarding involves having electronic processes and workflows in place to ensure that document-based and process-based steps are followed and that the full complement of activities that need to happen do so with the proper coordination and oversight.

Expand your onboarding horizons. Recognize that onboarding takes place over time. Know what the markers for success are. Use milestones to map out what type of support (training and mentoring) and progress "checks" are needed at 30, 60, 90, and 120 days on the job, up to one year post-organizational entry. The planning will create a formalized process for engagement to ensure employees have the resources they need and that barriers to success are identified and mitigated.

Put in place a process where new hires must complete all paperwork before Day One. According to Aberdeen, "best-in-class" companies are 53% more likely to begin the onboarding process before Day One. Leveraging automation, employers can build custom task lists for the new hire, recruiter, hiring manager, and other stakeholders, complete with due dates and email reminders. The recruiter or hiring manager can then track progress to ensure that key tasks are complete before the new hire's first day.

Don't overlook additional aids. Be sure to include helpful guidelines in your employee onboarding process: a campus map and/or directions for parking, how to sign in at the security desk, policies regarding business casual dress and/or working from home. Often it's these "little things" that warrant the greatest number of questions from new hires.

Tailor the experience. New hires, managers, and other key stakeholders should see only the fields, forms, and tasks that are relevant to them. Process flows and/or event triggers can be kicked off based on certain criteria and/or answers to specific questions.

Keep it simple with one repository. As opposed to human resources management solutions—which are focused on talent acquisition and development—enterprise content management solutions ensure the articles of record involved in employee onboarding are maintained in a secure and compliant fashion with electronic signature functionality, and are both collected and disseminated at the exact right times to ensure the best onboarding experience right from the start.

Recognize that integration is key. Look for a digital platform that will work well with other critical business systems and allow for a seamless routing of documents to numerous departments.

THE ROI OF EMPLOYEE ONBOARDING

An investment in employee onboarding can go a long way. Research shows that a structured best-practice onboarding process can help stave off early turnover. The Society for Human Resource Management has found that employees who attended a structured orientation program were 69% more likely to stay with the company for three years.

The faster new hires feel welcomed and prepared in their new workplace, the sooner they can contribute to achieving the organization's goals. This proficiency can provide a critical business advantage. In a study by Boston Consulting Group, a significant correlation was found between proficiency/capability in onboarding of new hires and retention and economic performance. Companies that were "most capable" in this area were shown to have 2.5 times the revenue growth and 1.9 times the profit margin of companies deemed the "least capable" in this regard. Additional economic benefits can come from reducing administrative overhead, and companies often can realize a return on investment within the first year of digitizing employee onboarding.

While cost savings are always welcome in the enterprise, optimal onboarding does more than save money, reduce administrative burden, and safeguard corporate liability. It sets clear expectations for employees and equips them for success, increasing job satisfaction and improving performance. Digital reengineering of employee onboarding is the change that's needed to attract and empower the next-generation workforce. AQ

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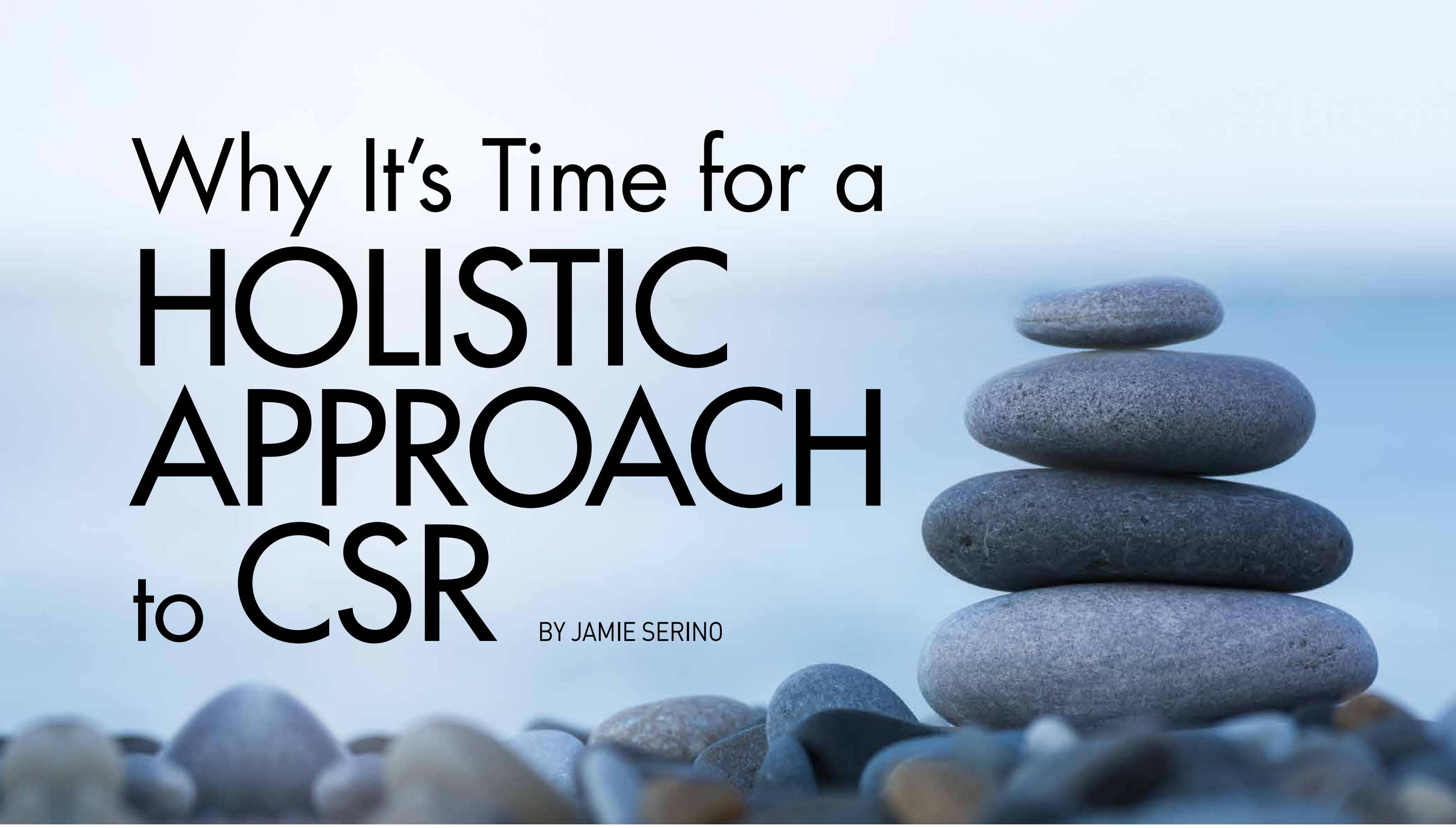
Why It's Time for a HOLISTIC APPROACH to CSR

BY JAMIE SERINO



Who owns corporate social responsibility (CSR) in your organization? And who does CSR in your organization?

An increasing number of C-level executives and senior managers are asking these two questions as they look to align profit and purpose for their organizations and strive to make "doing good" part of the company culture and brand personality. When a CSR department does not exist at an organization, one answer to these questions may be, "I think it's marketing." Another could be, "Maybe it's our communications team." Still another may be, "Probably our HR department."

When it comes to who owns CSR, most executives know the answer to the question "What happens when a project or initiative doesn't have a defined owner?" This could be the root of the issue at a company that is struggling to align profit and purpose. If you really want to make "doing good" part of your company culture and brand personality, then the answer should be: CSR is part of everyone's role in the company.

Companies are now moving to a more holistic corporate social responsibility model, where they seek a more strategic, impactful approach that connects the dots across all the ways that the organization gives back and contributes to its community.

A holistic CSR program looks more like culture and less like a one-time or sporadic initiative. It looks like a multifaceted effort with integration across a company's departments, not like a siloed project. It looks like a genuine reflection of the company's values and its employees' passions, never like a hollow, check-the-box chore.

Human behavior has shifted to be more values-driven than ever. This has created a change in the workforce, a resetting of expectations, and a redefining of the relationship between employee and employer— a move to "human social responsibility," as my colleague Rachel Hutchisson recently described in *Forbes* ("Millennials Are Effecting Change With Social Responsibility," Wes Gay, August 11, 2017).

Companies are realizing that they must look beyond their own corporate imperatives to the needs of employees to feel purpose in their work. The shift in human behavior has also created changes in brand perception, which are reflected in investment decisions and consumer behavior. Again, there has been an adjustment in expectation and relationship. These transformations collide with rapid technological advancement and the democratization of philanthropy.

Our changing workforce has resulted in widespread shifts in the way people think about their careers and the companies they work for. When it comes to attitudes and ambitions around work, Millennials have been surveyed and studied at

88% of Millennials

said their job is more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues.

length. The findings reinforce that this generation is one that cares deeply about leaving the world better than they found it. For instance, in the Cone Communications 2016 Millennial Employee Engagement Study, 88% of Millennials said their job is more fulfilling when they are provided opportunities to make a positive impact on social and environmental issues. The study also found that 76% of Millennials consider a company's social and environmental commitments when deciding where to work.

But if we look deeper, we find that across all generations in the workforce, 74% find their jobs more fulfilling when they have opportunities to make an impact, and 58% consider a company's CSR commitments before accepting a job offer. When we look at these numbers, it's clear that the majority of workers, regardless of generation, believe corporate social good is important.

A NEW FOCUS FOR INVESTMENT AND CUSTOMER BRAND LOYALTY

There are many stats that point to the financial benefits of having a strategic, holistic CSR program and aligning the pursuit of profit with a greater purpose. For instance, the 2016 Canadian Responsible Investment Association Trend Report shares that 75% of professional investors consider a company's position on environmental, social, and governance issues before deciding whether to invest. On the same note, $60 trillion is managed by more than 1,300 investment firms that have signed on to the UN Principles for Responsible Investment.

The 2016 Civic 50 annual report from Points of Light illuminates this concept as well, laying out how companies that identify community needs that are strategically and authentically connected to their business have greater potential for a win-win that combines longterm profitability with demonstrated social impact.

The 2017 Cone Communications CSR Study shows how CSR continues to be a differentiator in the minds of American consumers. The study points to nearly 25 years of benchmark data showing a steady increase in consumers' willingness to purchase products with social benefits. Some of the key findings from this study are enough to give any business executive pause:

- 79% of U.S. consumers expect businesses to continue improving their CSR efforts
- 87% of U.S. consumers say they would buy from a company based on shared values, and 76% would refuse to purchase a product if they found out the company supported an issue contrary to their belief system
- 88% of U.S. consumers say they would be more loyal to a company that supports a social or environmental issue
- 52% of U.S. consumers say that they chose to buy a particular product or service in the last 12 months because the company stood up an for issue they care about

TECHNOLOGY, WORK, AND SOCIAL GOOD

We have entered an era where we have the technology and systems that can truly knit social good efforts together through our society and across an organization. Never in history have social change-seekers had the ability to simply tap a button to make a donation, create their own fundraising initiative with a single web page, or share a 140-character message about a cause that matters to them with thousands of people.

This tech-fueled efficiency applies to the way we work as well. With a growing focus on measuring the outcomes and results of our work and our giving, "old" ways of working may no longer suffice. In fact, one of Blackbaud's customers recently shared his view that no one should be running corporate giving or employee giving and volunteering programs on manual spreadsheets anymore. Those days are over.

In a holistic corporate social responsibility program, where every department plays an interdependent role and communication is critical, you need technological systems that can connect the dots for you. As with personal technology, never before have we had such powerful software and applications to automate and streamline so many areas of our jobs. If now is the time to embrace a holistic approach to corporate social good, what could this look like in practice?

THE ROLE OF HR AND PR IN A HOLISTIC CSR PROGRAM

The HR department may be an employee's first touchpoint with your company, so don't miss this opportunity to make your CSR-focused culture shine. With so many prospective employees taking a harder look at a company's social and environmental commitments and values, CSR may, in fact, be HR's secret weapon for recruiting. HR and talent acquisition teams, in particular, have an opportunity to make CSR efforts shine throughout the interview and onboarding process.

Of course, talent isn't all about acquisition. When you find star employees, you've got to keep them engaged with a culture that champions social good and values individual change agents' efforts to make a difference. Volunteer programs can be used as a recruitment tool, and skills-based volunteer programs can be leveraged to develop talent internally. HR should be involved as a key stakeholder in scoping and administering employee volunteer programs.

When employees can participate in skills-based volunteering, they have the opportunity to help others while also enhancing or developing key skills that will contribute to their professional growth. Deloitte's 2016 Impact Survey found that volunteering can play a significant role in building key leadership skills. As HR professionals are tasked with developing high-impact training and development programs with limited resources, corporate responsibility initiatives involving skills-based volunteerism may serve as an effective means of professional development and management training. Large enterprises with multiple locations can consider selecting people in each office to head up local volunteer efforts. This is a great way to organize at a local level while developing leaders throughout your organization.

Dynamic communication is at the center of HR's role in a holistic CSR program. HR should be in a position to share opportunities for employees to get involved, demonstrate momentum with highlights and photos of employee-driven initiatives, and shine a light on the impact your company and colleagues are having on the issues they care about.

Your corporate social good program and results should not be kept a secret. Your communications and PR professionals should share your organization's impact story. With a somewhat skeptical public, though, it is critical that PR departments convey your impact story in an authentic way. Since consumers—who are likely the readers and viewers on the other side of your media and press coverage—have shown that they expect authenticity and are not shy about using their wallets to share their reaction, it is important to get this right.

Having a truly authentic and holistic approach to CSR will circumvent this, but be wary of going down the road of "greenwashing." The audiences that matter most to your company—your consumers, investors, and employees—will see through any attempt to tip the public-perception scale with PR stories that say "Look at us" more than they say "This is our culture, this is what we do, look at the change we helped create."

One of the best ways to tell a compelling story about a genuine CSR program is to have data and results that point to the impact that this program is having on the community and people's lives. This is why it's so important to track and measure your CSR efforts and collect data. Combining data and stats with emotional anecdotes and photos creates powerful, authentic stories that will convey company culture and brand personality.

MARKETING AND MANAGEMENT IN A HOLISTIC CSR PROGRAM

If you have a holistic, strategic CSR program, chances are you have a cause marketing team or an element of your marketing department that ties corporate social good into the mix.

Marketing departments should look for opportunities to infuse your CSR efforts into the customer experience, such as with donation options at checkout or a "for every product sold" model where you invest in a social cause on your customer's behalf.

The pursuit of profit alone is no longer enough for a company to achieve long-term success. When you look to develop marketing campaigns and initiatives, find ways to infuse purpose as well. Marketing professionals can also support CSR efforts by looking for social good partners that align with your business values. As always, it is important to craft authentic campaigns, engage employees and customers to participate, and communicate the results of everyone's shared efforts.

Executive management plays a key role in tying all your company's social good efforts together by setting the tone for aligning profit and purpose. For a holistic CSR program—really, a culture—to work, it is essential for executive management not only to support corporate social good efforts but also to lead the charge.

As a company executive, be visible, be authentic, and look for ways to demonstrate that CSR matters at every level. Take your passion for wanting to do good, for wanting to help others, and let it inspire those around you.

Now is the time to embrace the concept that your organization serves a greater purpose and that profit and purpose go hand in hand. There are people in every department of your company who want to make a difference. Are you doing enough to bring those passions together to achieve greater outcomes? A holistic approach to CSR enables you to maximize your collective efforts to make a difference and achieve the impact you hope to see as a result, both for the causes and values you champion and for the future of your company.

Jamie Serino is director of marketing, Blackbaud Corporate & Foundation Solutions, a leading technology company that provides solutions to the philanthropic community.

An Overview of the Unstoppable Revolution

Corporations are at the forefront of changing how we connect.

BY STEPHEN DENNING

An unstoppable revolution is now under way in our society, affecting almost everyone. The revolution isn't being launched by opposition political parties, or by terrorists in secret cells, or through espionage by some obscure government department. The revolution is being conducted in plain sight by some of our largest and most respected corporations. It's visible to anyone with eyes to see. It's a revolution in how organizations are being run.

The revolution is very simple. Today, organizations are connecting everyone and everything, everywhere, all the time. They are becoming capable of delivering instant, intimate, frictionless value on a large scale. They are creating a world in which people, insights, and money interact quickly, easily, and cheaply. For some, the revolution is uplifting and beautiful. For others, it is dark and threatening.[1]

Dazzling examples of the new way of running organizations are everywhere apparent. Firms like Apple and Samsung offer devices that can be tailored to meet the individual wants and whims of hundreds of millions of users. Firms like Tesla, Saab, and Ericsson are upgrading cars, planes, and networks, not by physically installing new items, but by delivering new software to the products via the Web. Meanwhile, Spotify matches billions of musical playlists to individual users' tastes and delivers a weekly playlist tailored to each user's preferences, while Warby Parker sells high-quality eyeglasses for a small fraction of what traditional retailers charge by using a low-friction online model. Online services like Skype, Zoom,

and WhatsApp are taking tens of billions of dollars away from old-guard telecom firms by giving customers free or low-cost calls. Amazon has demonstrated what can be accomplished when customer value is pursued ahead of short-term profits: it's not just the world's biggest retailer—it's bigger than all the other retailers put together.[2] Google has become big and rich very quickly, by providing search capabilities that are offered free.[3] The population of Facebook is bigger than that of China. Airbnb, Uber, and Lyft are showing how to unlock the value in existing assets that were previously lying idle. And so on.

At the same time, what is lifting some companies is killing others. The examples here are also abundant. "Market-leading companies," as analyst Alan Murray has written in the *Wall Street Journal*, "have missed game-changing transformations in industry after industry—computers (mainframes to PCs), telephony (landline to mobile), photography (film to digital), stock markets (floor to online)—not because of 'bad' management, but because they followed the dictates of 'good' management."[4] In effect, the "good management" that these firms were practicing had become anachronistic. It simply didn't work anymore.

Spoiler alert. The difference between winners and losers isn't a matter of access to technology or Big Data. Both the successful and the unsuccessful firms generally have access to the same technology and data, which are now largely commodities. Traditionally managed organizations also use digital technology and Big Data but typically get meager results. In some cases, like Kodak, it's the firm that invented the new technology that has failed to exploit it. It's not access to technology and data that makes the difference. The difference lies in a different way of running the organization that deploys technology and data more nimbly.[5]

Trying to exploit technology and data with the management practices that are still pervasive in many big corporations today is like driving a horse and buggy on the freeway. To prosper in the very different world that is emerging, firms need a radically different kind of management.

Some firms are embracing the new management paradigm with alacrity. They are happy to shed the traditional management practices of manipulating both staff and customers and instead follow their natural preference to treat people as people and engage in authentic adult-to-adult conversations. Some of them are generating inspired workplaces that create meaning in people's lives.

Other firms are getting on board more gradually. They reflect on the obvious anomalies of traditional management and feel frustrated that their efforts to fix things don't work. They find themselves having to run faster and faster just to stay in place. Yet they can also see the extraordinary gains of firms operating in the new way and begin to wonder: "Why can't we have what they are having?" There often follows a lengthy period of reflection and experimentation before managers finally "get it" and internalize the new mindset.

Some firms are actively resisting the change. For established organizations that have been successfully managed in a traditional fashion for many years with settled processes, routines, attitudes, and values, the new management paradigm can be difficult, even baffling. It is often at odds with the unspoken assumptions about "the way we do things around here."

Still other firms have sought to avoid the dilemma through financial engineering. They are pursuing ways of extracting value from the corporation, through short-term cost-cutting, offshoring, share buybacks, tax gadgets, and other devices. While these expedients can create an appearance of prosperity for investors in the stock market, they are systematically destroying real shareholder value and genuine economic well-being.

When the managers do embrace the new way of running the organization, and have the "aha" of how the new management paradigm is happening on a large scale, it can be an amazing and humanizing experience. Why would anyone consider doing things differently?

In short, *The Age of Agile: How Smart Companies Are Transforming the Way Work Gets Done*, explores how some organizations are learning how to operate in a way that is potentially better for those doing the work, better for those for whom the work is done, better for the organizations themselves, and better for society. These organizations now form a vast global movement that is transforming the world of work.[6]

The movement began many decades ago, but took off in a major way more recently in an unexpected place: software development. It is now spreading rapidly to all parts, and all kinds, of organizations—big firms and small, simple and complex, software and hardware, technology, manufacturing, health, pharmaceuticals, telecommunications, aircraft, and automobiles—you name it.

The new paradigm enables organizations to thrive in a world of rapid and unpredictable change.

The new paradigm enables organizations to thrive in a world of rapid and unpredictable change. It enables a team, a unit, or an entire enterprise to nimbly adapt and upgrade products and services to meet rapidly changing technology and customer needs, with efficiency gains, quality improvements, or even completely new products and services. It permits an organization to flourish in a marketplace that is increasingly volatile, uncertain, complex, and ambiguous—the so-called "VUCA" world.

How did this revolution happen? Some, but not all, of the organizations implementing the new management paradigm see the foundational document of the movement as the Manifesto for Agile Software Development of 2001—now commonly called the Agile Manifesto. Others refer to earlier historical antecedents and management practices and use terms like "Lean," "Quality," "Design Thinking," or just their own homegrown label.[7]

The Agile Manifesto declared that "uncovering better ways of developing software" requires a reversal of some fundamental assumptions of 20th century management. It values "individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation and responding to change over following a plan."[8]

Yet in propounding these values, the Manifesto was implicitly raising a wider and deeper set of questions. What if firms could create workplaces that drew on all the talents of those doing the work? What if those talents were totally focused on delivering extraordinary value to the customers and other stakeholders for whom the work is being done? What if those receiving this unique value would be willing to offer generous recompense for it? What would these workplaces look like? How would they operate? How would they be reconciled with existing goals, principles, and values? Could they operate on a large scale? Could they be reliable?

In 2001, no one really knew the answers to those questions. Experiments were conducted to find out. As with anything new, things proceeded in fits and starts, with frequent setbacks. Many variations in practices were explored. Even when the practices were in essence the same, the approaches often had different labels.

The initial experiments were with single teams. As some of these experiments succeeded, the experiments expanded to groups of teams and eventually to large-scale implementations, even whole organizations. The new way of running organizations spread to manufacturing and other fields.[9] Some startups that began operating in an Agile fashion continued to be run this way, even as they grew.

For some years, it was hard to make sense of what was going on. Even some of those who embraced the new management paradigm saw it as playing a limited role, mainly in simple software activities in small units or in organizations where reliability was not an issue. Many teams and firms that claimed to be operating in the new way were doing so in name only. Some suggested that the new way of managing, as it expanded beyond individual software development teams, would inevitably mutate into the traditional practices of top-down bureaucracy in order to achieve efficient, reliable management in large-scale operations.

Yet over time what was working and what wasn't became apparent. As a result, there was a convergence toward a family of goals, principles, and values that are demonstrably more productive and more responsive to today's marketplace than traditional management and that can operate on a large scale. As the movement matures, and as managing software becomes central to the success of most businesses, the new paradigm is becoming a key to the management of everything.

The new paradigm has not been easy for traditional managers to understand or implement. First, much of the recent momentum came from an unexpected source: software development, which had no prior reputation for excellence in management. It was hard for general managers to accept that they had anything to learn about management from software developers. Managers were slow to grasp the wider significance. In some ways, the new way of running an organization is still the best-kept management secret on the planet.[10]

The antagonism is understandable. These managers have spent most of their careers accepting the prevailing management paradigm and proceeding within its assumptions. Their careers have flourished by mastering and implementing 20th century concepts and practices. They see that business schools still teach these concepts and practices. The thought that everything on which they have built their careers is changing beneath their feet can be unnerving, even alarming. Yet the change is coming at them willy-nilly. One study suggests that 75% of the S&P 500 will turn over in the next 15 years.[11] Another says that one in three public companies will delist in the next five years.[12] The choice for many organizations is simple: change or die.

Second, the illusion that technology will by itself solve the challenge of adaptability is still widespread. Many firms fail to see that since generally all have access to the same rapidly evolving technology, competitive advantage flows not from the technology itself but rather from the agility with which organizations understand and adapt the technology to meet customers' real needs.

Competitive advantage flows not from the technology itself but rather from the agility with which organizations understand and adapt the technology to meet customers' real needs.

And third, the way of running an organization represents a genuine paradigm shift in management, with fundamentally different goals, principles, and values that disrupt deeply entrenched assumptions, attitudes, and habits. Traditional managers often believe—and hope—that the changes are merely a fix that they can apply to specific issues, rather than a fundamentally different way of approaching management itself.

The revolution is proceeding at different speeds in different sectors. Manufacturing, for instance, which pioneered the early stages of the Agile revolution, is now behind software development. Yet as physical products and services are increasingly software driven and the "Internet of Things" makes its presence felt, the distinction between software and manufacturing is disintegrating. As "software is eating the world," all firms are becoming dependent on software, thus accelerating the spread of the Agile paradigm.[13] AQ

Stephen Denning is the author of six successful business books and a former director of the World Bank. He has been writing a leadership column on Forbes.com since 2011, with more than 600 published articles, attracting more than 6 million visitors and more than 15 million page views. Denning writes about the ongoing paradigm shift in the management, the transition to the Creative Economy and the constraints on implementing what is obviously a better way of running organizations.

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1 I am indebted to the following formulation by Alan Murray in his Fortune article: "Six fundamental truths about the 21st Century Corporation," October 22, 2015, at http://fortune.com/2015/10/22/six-truths-21st-century-corporation/. "It is our belief that the world is in the midst of a new industrial revolution, driven by technology that is connecting everyone and everything, everywhere and all the time, in a vast and intelligent network of interactive data that is creating an economic dynamic increasingly characterized by low or zero marginal costs, massive returns to scale and platform economics." My book selects elements of this formulation but puts less emphasis on the competitive advantage created by technology or data, and gives more emphasis to the different management being used to deploy the technology and the data. It also stresses the outcome for customers and end-users: instant, intimate, frictionless value on a large scale. Today, for the most part, technology and data are commodities. See also: Colvin, G. "Why every aspect of your business is about to change," October 22, 2015, http://fortune.com/2015/10/22/the-21st-century-corporation-new-business-models/

2 Amazon was criticized by analysts for years for missing profit targets, and worse, not even focusing on profits. Now it's bigger than all the other publicly-traded retailers put together: "The Extraordinary Size of Amazon in One Chart," Business Insider, http://www.businessinsider.com/the-extraordinary-size-of-amazon-in-one-chart-2017-1

3 Google was founded in 1996 by Larry Page and Sergey Brin. Google's parent company is now Alphabet Inc., an American multinational conglomerate created on October 2, 2015, by the two founders of Google.

4 Murray, A. "The End of Management," Wall Street Journal, August 21, 2010, http://www.wsj.com/articles/SB10001424052748704476104575439723695579664

5 One key factor: internally-driven innovation and new technology often generate changes that customers don't want or are not willing to pay for.

6 One sign of the scale of the change: Scrum Alliance Inc. has more than half a million members and continues to grow rapidly. The gains of Agile management are not inevitable: it is possible, as later chapters explain, that firms may decide to implement only some, or even none, of the components of Agile management.

7 Many of the elements of Agile management were around long before the Agile Manifesto. Since time immemorial, artists have worked in an iterative fashion: masterpieces usually evolve through trial and error, rather than emerging perfect from an initial plan. In the 19th century, Helmuth von Moltke, the Chief of the Prussian (later German) General Staff developed and applied the concept of Auftragstaktik to cope with uncertainty. Iterative work practices were promoted in the 1930s by Walter Shewhart, a quality expert at Bell Labs. Agile has considerable overlap with design thinking which stems from Herbert A. Simon's book, The Sciences of the Artificial (MIT Press, 1969). Self-organizing teams have been the staple of new product development for decades. Reducing inventory and delivering value to clients each iteration lie at the heart of lean manufacturing, which was invented by Toyota some 50 years ago. Continuous self-improvement is a legacy from the total quality movement for more than half a century. Finding ways to measure client delight and the consequent impact on firm growth has been systematically studied by Fred Reichheld and his colleagues at the consulting firm Bain & Company for over 25 years.

8 Manifesto for Agile Software Development, 2001, http://www.agilemanifesto.org/, is a set of principles for software development in which requirements and solutions evolve through collaboration between self-organizing, cross-functional teams. For some thoughts on the meaning of the values of the Agile Manifesto, see Stevens, P. "How 'Agile' are you?" August 31, 2016, https://saat-network.ch/wordpress/wp-content/uploads/2016/08/Peters-5-Question-Agile-Assessment-RC2.pdf; And also: Stevens, P. August, 2016: http://www.scrum-breakfast.com/2016/08/five-simple-questions-to-determine-if.html

9 The struggle to reintroduce Agile management to manufacturing is ironic in the sense that many of the historical antecedents of Agile were in manufacturing: see for example, Takeuchi, H. and Nonaka, I.: "The New New Product Development Game," (HBR, 1986), https://hbr.org/1986/01/the-new-new-product-development-game. And also Denning, S. "Transformational leadership in Agile Manufacturing," Forbes.com, August 1, 2012, http://www.forbes.com/sites/stevedenning/2012/08/01/transformational-leadership-in-agile-manufacturing-wikispeed/. In their book, Scrum (Crown Publishing, 2014, pp.35-36), Jeff and JJ Sutherland describe an illuminating game that teaches the role of Agile in manufacturing through building paper airplanes by way of W. Edwards Deming's cycle of Plan, Do, Check, Act (PDCA).

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Maintaining the Legacy of AMA

As the new president and CEO, I'd like to personally extend my thanks to you, all our customers and partners who make AMA a vibrant learning community. AMA consistently meets the demands of our customers as an award-winning talent development organization offering public classes, onsite delivery, live online, and digital learning experiences. For nearly a century we've helped the world's foremost organizations improve the skills and performance of their people.

I've experienced the power of AMA's approach firsthand. Early in my career, my organization invested in AMA's management training. I ended up taking several seminars, which earned me certificates and recognition at my job. That coursework was pivotal in my career, creating opportunities that otherwise would never have been available to me. It convinced my employer to put me on the managerial track and positioned me to take on new leadership roles. Later, my employer sent me back to AMA for a five-day program to master new competencies that resulted in a promotion. AMA's courses, then and now, are truly transformational.

AMA is committed to developing learning experiences that transform employees' behavior, their approach to work, and their performance. We engage students in small, intimate groups with leaders in the industry to learn from each other and master practical, action-oriented techniques from practitioners in the field. Our unique approach to experiential learning allows participants to practice these skills in a safe setting.

I'm thrilled to be a part of AMA's legacy and to serve as AMA's new CEO. I hope to see you in our programs in the near future.

Manny Avramidis
President and CEO
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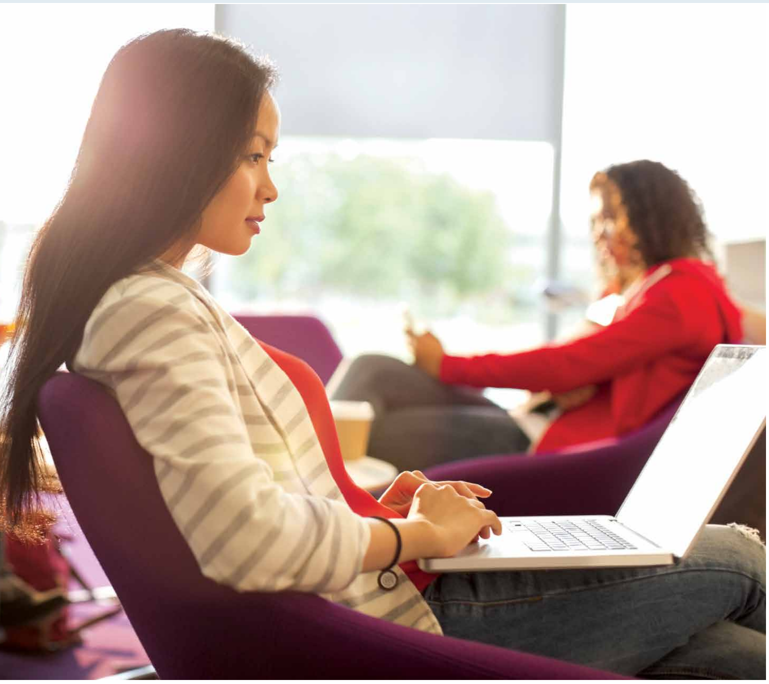

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