

DISRUPTION LEADERSHIP MATTERS

lessons for leaders from the pandemic



CHAPTER ONE

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Chapter One: **Engagement matters**

As a leader, always ask yourself, *“Is what I am about to do likely to increase the engagement of our people or decrease it?”*

In the early 1990s, Sears-Roebuck completed a range of internal research projects. They wanted to know if there was a clear relationship between how satisfied an employee was with the organisation, and how that corresponded with customer satisfaction and how that, in turn, affected turnover. After several years, they identified a formula, what we would now call an algorithm.

As employee satisfaction scores rise by five points, customer satisfaction goes up by 1.3 points, and revenue goes up by 0.5 points. The 0.5 points increase in revenue should go straight to your bottom line if all else is equal. Who would not want that outcome? You do not have to be a “for profit” organisation to desire having engaged employees. Whether they be patients, students, clients, community members, etcetera, they will be better served by engaged employees versus disengaged employees. And it will free up valuable resources to enable you to serve your customers, community, and stakeholders better. The same is true if you are a not-for-profit organisation or government department, or agency. Highly engaged staff will better serve your stakeholders,

be more productive and free valuable financial resources that could be used to provide more services.

Garry Ridge, CEO at WD40, is also an adjunct professor at the University of San Diego, where he has been teaching in a graduate leadership program for over 13 years. In his course, Garry shares research indicating that more than 70% of employees are not engaged with their organisation. Leading in a manner that enables employee engagement to be high makes sense. It is good for the employees, good for the leaders and good for the organisation. Given up to 70% of employees are disengaged, there is a massive opportunity for leaders to increase engagement. That leader could be you.

In her book, *Dare to Lead*, Brene Brown's research shows that humans are naturally wary creatures. In a professional context, imagine you hold a jar for every relationship. The jar contains marbles. Brene calls them "trust marbles." Each marble represents how much you trust the other person in your professional relationship. If the jar is packed to the brim with marbles, this will mean complete trust in your colleague. Very few jars are that full. How full do you believe a jar would be at the start of a professional relationship? Brene's research indicates that, on average, a professional relationship commences with the jar about 20% full.

Many people are surprised when I shared this information in workshops. It seems less than they expected. I then ask, "How do marbles get in the jar once a professional relationship commences?" After some conversation, a general agreement emerges. Trust marbles are added to the jar one at a time. In other words, trust is earned a little bit at a time.

On the other hand, when marbles come out of the jar, workshop attendees agree that they tend to come out in handfuls

rather than one at a time. As the old saying goes, “Trust is hard to earn and easy to lose.”

Consider your behaviour. What do you do that increases trust, and what is it that you do that decreases trust? Complete the table below. The left-hand column represents trust-building behaviours. The right-hand column represents trust-reducing behaviours.

Trust-building behaviours	Trust-reducing behaviours

Typical responses from the workshops I conduct include:

Trust-building behaviours	Trust-reducing behaviours
Follow through with what you say you will do - let people know ASAP if something happens that prevents you from following through Recognise people for their ideas and contribution Be honest and caring Recognise people for their contributions Listening Displaying empathy	Saying one thing and doing another Claiming successes for yourself and being quick to blame others when things go wrong Lie Claiming the work of others as your own Not listening and constantly talking over the top of others Lacking awareness of other people and what is going on in their life

From a leadership perspective, this is critical information. Leaders must be aware of how their actions either contribute to trust or detract from it. It is not hard to see the correlation between trust and engagement. Let us consider a high trust-building initiative that occurred at the start of the pandemic.

Thailand's Chareon Pokphand Group (CP Group) employs more than 400,000 people across 20 countries. Among other things, the company is one of the world's most extensive food and agro-businesses. On 3rd September 2020, CEO Supachai Chearavanont shared in an interview with Christine Tan, the host of CNBC's *Managing Asia* series, that the CP Group had a responsibility to protect employees from the pandemic. The group's leaders believed they had to ensure the continuing employment of their people and care for them through extra support if other family members, who did not work for CP Group, became unemployed due to the pandemic. Food vouchers were supplied to families where one of the parents had lost their job, even though that family member did not work for CP Group. When a CP Group service ceased operation due to economic forces, staff were re-deployed to other roles to maintain job security. To offset the cost of keeping people employed, Supachai Chearavanont challenged leaders within CP Group to find savings in non-human expenses to offset the cost of maintaining employees. The leaders' actions included reducing office space because the staff could work from home and transferring the savings from reduced travel costs to salary expenses. Think about that for a second. Instead of immediately looking at ways to reduce costs by reducing "headcount," CP Group focussed on reducing the cost of its physical resources to ensure it could continue to pay employees' salaries.

In a speech at the UN Global Impact Leaders Summit on 23rd June 2021, Supachai Chearavanont reinforced this message. He shared that CP Group was committed to hiring and promoting younger people, improving the diversity of the people in the organisation, and working with governments in private-public partnerships that had proved to be a successful model throughout the pandemic. CP Group's care for its employees is extraordinary, but is employee engagement the employer's sole responsibility?

Is employee engagement the sole responsibility of leaders?

The simple answer is a resounding no. Employees share a level of responsibility for their engagement. An employee is not a child in a parent-child relationship. It is not the leader's responsibility to "look after them." Employees are responsible for their role and performing it to the best of their ability. If they require help, they ought to seek it. If they need to learn something to perform their role, they ought to be willing learners. If they do not understand how to be successful in their position, they ought to have the courage to make suggestions and ask questions until they are clear about what they should be doing. If employees believe in the organisation's espoused values, they ought to be responsible for doing their best to behave consistently with those values, regardless of how their colleagues or leaders are acting.

In the workshops I facilitate, this topic has generated some fascinating conversations. Most participants indicate that they agree with the intention of their organisation's espoused values. Yet, they also share that they do not consciously behave according to them because they do not believe their leaders act consistently with the values, so why should they behave in such a

way? I ask, “Do you believe in the stated values?” “Yes,” is their response. “But I don’t see the leader behaving that way, so why should I?”

This question is fair. It **is** far better when leaders act in a manner that is consistent with the organisation’s values. However, if you believe in the values, why would you base your behaviour on someone you think is **NOT** acting consistently with them? The result is that you, too, end up behaving against your beliefs. Why would you do that to yourself? If you believe in the values, then take personal responsibility for acting consistently with them.

The speed at which employees pivoted to working from home on a global scale **shows** that employees take responsibility for their work and level of engagement. The effort that employees went to using their resources was extraordinary. What if 2020 had not experienced a global pandemic? Imagine if your organisation set up a project on 31st January 2020 with a goal for the organisation to have the capability for everyone to work from home by 31st December 2020. When you think of all the meetings, the cost of consultants, overcoming resistance from some staff, and the cost of providing the equipment so team members **could** work from home, what do you think the project’s total cost would have been? I do not know the specific dollar amount, but I know it would have been a lot of money, time, and effort. And I am not sure the project would have been a success in every organisation.

On one level, I am not sure organisations worldwide could ever fully repay their staff for keeping their organisations going and doing it quickly and with little resistance in the early stages of the pandemic. In many examples, to this day, staff continue to pivot from the office to home, with little warning.

Having established that employees share responsibility for their level of engagement with their organisation, leaders profoundly influence an employee's experience. Let us explore two examples that demonstrate how easy it is for leaders to drive down employee engagement.

Demonstrating the ease with which leaders can drive down employee engagement

Often, it is not what leaders do to increase engagement. It is what they do to decrease it that matters. Organisations with espoused values and people-based cultures have not all passed the test. What leaders deeply believe to be true has been driven to the surface by the pandemic and is there for all to see. As a result of leaders behaving in alignment with their deep-seated mindsets, employees have withdrawn trust marbles by the handful. The following story is based on an example from a school in Australia.

Within three weeks of moving from on-site learning to remote learning in April 2020, the principal emailed 40 targeted teachers. The teachers were categorised as “under-allotted,” meaning they had on-site commitments that could not be conducted online, such as inter-school sport and other specialist subjects.

The email informed the staff that within 36 hours, they were to book a meeting with the principal, deputy principal, and the human resources manager to discuss whether they would receive a reduction in salary commensurate with their “under-allotment” or what substitute work they could do to balance their load.

When receiving this late afternoon email, do you think the stress levels of those teachers went up, remained the same, or

went down? Like everyone else in the world, the teachers were experiencing the commencement of a global pandemic which seemed, at the time, to have the potential to cause millions and millions of people to die. They had families to consider, including parents, siblings, friends, and for many of them, their partners, and children. What, do you believe, is the most likely stress response? We will come back to this point in a moment.

First, let us consider the concern regarding under-allotted teachers. On the surface, is it fair that under-allotted staff be allowed to remain under-allotted? After all, what about the fully allotted teachers who had 100% of their load transferred online? It would not be fair if these under-allotted staff got away with doing less work. Would it?

However, does merely looking at the timetable data tell the whole story? Purely data-driven leaders are not interested in the story behind the data. Instead, they rationalise their behaviour based on the data that is in front of them. For them, there is nothing else to consider. In this example, the timetable data indicated that the teachers were under-allotted, so something needs to be done about that. Either they receive less pay, or they do more work due to redeployment to other activities. Simple! Unfortunately, this response is a dangerous path to follow if you value human talent.

There is always a story behind the data. Without access to the story, leaders will miss a large piece of the employee engagement puzzle and make decisions that directly reduce engagement. If you would like to learn how to “see” the data behind a story, I encourage you to read Shawn Callahan’s book, *Putting Stories to Work - Mastering Business Storytelling*. As a simple example, in 2001, when the Twin Towers were flown

into by hijacked aircraft, the US Federal Aviation Administration (FAA) had to land 5,000 planes as quickly as possible. If you are a data person, you would be at risk of believing that the air traffic controllers followed their standard “rules” to land all 5,000 planes. However, never having completed a task like this in their history, air traffic controllers quickly recognised that their standard procedures would not be successful. Keep in mind that all 5,000 planes had to land **safely**, ensuring all on board were safe and well.

Instead of following the rules, air traffic controllers picked up the phone and called their colleagues, asking if they had any room for more planes to land. Based on these conversations, planes were allocated to airfields. The relationships between air traffic controllers proved to be more critical in such disruption than any rule book. Post-911, the FAA used the lesson to ensure that as more and more technology is introduced into aviation, the opportunity for air traffic controllers to develop relationships with their colleagues needs to be maintained and prioritised. This story’s point is that an organisation’s ability to respond to the unpredictable correlates with the strength of relationships between its people. Relationships, as it turns out, affect employee engagement. Better relationships equal increased engagement. And, as you have read, there is always a *story* behind the data.

The seminal Sears-Roebuck employee engagement research established the relationship between employee engagement and productivity. We know that engaged employees contribute more discretionary effort than disengaged employees, which in turn has a positive influence on productivity. It does not benefit any leader if their behaviour directly causes employees to become

disengaged. Therefore, *striving to maintain engagement during unpredictable times ought to be an essential goal for leaders.*

At the school mentioned above, leaders ought to have first considered if the effort required to discover the stories behind the data was more important than doing **nothing**. In other words, was the risk that up to 40 staff were in fact “better off” than their colleagues after the move to online learning worth investigating, or could it be left on the shelf for a later date? Was investigating this issue worth the possible negative consequences it could cause? Was it worth investigating this issue “now” when remote learning was new to most schools, teachers, and students, and no one knew how long schools would have to operate online?

Think about it. Not even three weeks after successfully achieving the most dramatic change in the way education is delivered to students, a move that was only made due to the extraordinary effort of both administrators and teachers alike, the three most senior leaders at the school were going to conduct 40 staff meetings over three days. That is a considerable effort. If you have ever undertaken 40 sessions over three days, then you know how extraordinarily difficult that is to do with a consistent level of presence, empathy, and dialogue. However, if the exercise is about *looking* like you are engaging with your people, then you might be able to do it. Because deep listening, empathy, and dialogue will not be the tools you will be using during those meetings.

Of course, **while you are conducting these meetings, you are not doing anything else**. You are not considering what the first step away from online learning might look like and how you might prepare for it, and you’re not looking at what life with all

students back at school will look like either. What you are doing is putting an extraordinary effort into a problem that may only be in existence for several weeks. And you certainly aren't thinking about the impact of your behaviour on the mental health of the people you lead.

Leaders must have foresight, which is the ability to see how actions taken or not taken, will affect your desired future. Of course, there are multiple stories behind the data in this example. Each of the 40 teachers has their own story. I'm often reminded of a quote from Michelle Hunt, a one-time advisor to President Clinton in the USA, and founder of Dreammakers, "*Leadership is a serious meddling in other people's lives.*" Imagine if, as a leader, you repeatedly asked yourself if the action you were considering taking was helping or meddling? If it is meddling, then do not do it.

From an economic perspective, it is difficult to understand the math. The time and effort by the senior leaders to conduct the investigation and deliver its outcomes while risking long-term damage to the engagement of their teachers are hard to calculate against any short-term gains that may have resulted from reducing the salary of some staff.

At the most senior level, what kind of conversations were taking place? What are the chances that anybody asked the question, "What might be some unintended consequences of going down this under-allotted path with our teachers?" This type of question, folks, is a fundamental question to ask when the action you are considering may result in disengaging staff.

A similar example occurred with the CEO of an energy provider. An email was sent to staff stating that if they had

primary school-aged children being home-schooled, the staff member was required to use their leave because the CEO did not believe they could be productive. This directive was a command. Yet, staff who had primary school-aged children were already working productively from home and had already done what was necessary to set themselves up, mainly using their pre-existing home-based resources, to enable them to continue to work.

All it took was a global email from the CEO to cause hundreds, if not thousands, of trust marbles to be heard (metaphorically speaking) tumbling out of the employees' trust jars.

Most people's jobs cause them enough stress when they go home, without the behaviour of their leaders adding to their stress. It could be as simple as the leader was having a bad day, so they were abrupt with a colleague. Or they didn't listen or read a reply email correctly and jumped to a false conclusion and made a demand for work to be re-done at the end of the day when the staff member was about to go home. And the next day, they questioned why the work had been re-done when it didn't have to be because they had re-read the email in the morning and realised the work had been completed the previous afternoon.

Folks, I have witnessed this behaviour. It causes staff to go home more stressed than they need to be. And it is the leader's behaviour that catalyses this stress. When people go home stressed, it affects their home life and families. Do you, as a leader, have the right to do that? I don't believe you do, and hopefully, you don't, either. Therefore, leaders need to be acutely aware they are leading human beings. From this point forward, I share clear, concise examples of exactly how

many leaders have led in a productive and humanistic manner throughout the pandemic.

How to maintain engagement under extreme circumstances

Nutrien Ag Solutions Australia (Nutrien) is the country's largest agricultural business. With more than 4,000 staff operating from 700 locations, 48% of the natural food served on dinner plates across the country comes directly from the services provided by the company. In his own words, Managing Director Rob Clayton says he is addicted to the success of the employees and agents associated with the business and the success of the farmers and communities they serve. Recently, profit-sharing opportunities were made available to employees. When Rob hears employees share stories about how their increased success has allowed them to buy their first new car, it delights him. The phrase, *"This is my business, and I'm serving my community,"* is precisely the mindset that Rob knows is essential for Nutrien to be able to demonstrate the big responsibility the company has in serving Australians.

When the pandemic caused the first lockdown in March 2020, Rob and his fellow leaders used a range of communication channels to remind staff that, as always, the company's biggest concern was the safety and well-being of staff and the community they serve. Given many frontline staff were permitted to work on-site due to their role, Rob was aware many of them were concerned for their safety. Their concerns were understandable, so Nutrien's leaders ensured all sites were supplied with both information and equipment to correctly set up to protect staff and enable them to work safely among themselves and their customers. From a big picture perspective, Nutrien's role in continuing to feed Australians was self-evident.

Nutrien's manufacturing sites were quickly re-tooled to make hand sanitiser, which was distributed not only to Nutrien stores but also to their clients, competitors, and critical community services such as police stations, at no charge. As an industry leader, Rob understood that all industry participants needed to continue to operate for the country's sake. When competitors called to ask what Nutrien was doing, Rob and his fellow leaders shared the documents and messages they had sent to staff and customers. The start of the pandemic was not a time for petty tribalism.

At the other end of the scale, a self-employed electrician sub-contracts to a company that services shopping centres in New South Wales and Victoria. They replace light globes for tenants within the shopping centre. Typically, the electrician receives 50% of the value of the work he does for himself. If a job is worth \$1,000, he earns \$500.

Due to restrictions caused by the government's lockdown laws, shopping centres effectively became ghost-towns overnight, and tenants closed their doors. Work for the electrician dried up. Other than the odd job, little work was available. The business owner contacted the electrician and informed him that, during the pandemic, his invoices were to represent 85% of the fee. In other words, if a job was worth \$1,000, the electrician was to invoice \$850.

The electrician did not ask for this support. Instead, the owner was proactive in providing it to him. How do you think the electrician feels about this support?

If you said he feels fantastic, you would be correct.

Norman Same and his fellow partners at accounting firm KNP Solutions in Melbourne, Australia, predicted a lockdown would occur a week before the Australian government announced the

first lockdown. Incredibly, KNP Solutions conducted a trial of all staff working from home. Each team member took their computer, keyboard, and mouse home. The company had already delivered two screens to each person's residence. As a result of the trial, they identified a series of challenges that would require resolving before any official lockdowns occurred. Upon returning to the office, one staff member left their mouse at home. Norman and his partners quickly realised that all equipment needed to be duplicated at home to ensure staff could easily switch from the office to home without worrying about taking equipment with them. It was going to be hard enough being isolated from each other. Still, they didn't want the staff to have to worry about equipment. Their systems were already cloud-based, so the switch was possible, but without the trial, they wouldn't have discovered that the internet service at some of their staff member's homes was inadequate and would not support working on the cloud. Norman and his partners solved this challenge by providing powerful dongles to those staff members.

When meeting via Zoom, after initial introductions where everyone could see each other, they agreed to turn off their videos to help staff using dongles cope with the volume of bytes moving up and downstream. While not all dongles had been received by the start of the first lockdown, the fact that Norman and his fellow leaders were proactive with their trial meant they were ahead of the game. The dongles arrived within weeks of the first lockdown, which would have been months later (and caused significant disruption to KNP's ability to serve their clients) if KNP Solutions had not been proactive in identifying this problem as quickly as they did.

When the government released the Job-Keeper and Job-Seeker support packages, KNP Solutions offered their clients six weeks of complimentary support. They used this time to help their clients understand what the packages meant for their businesses. If they had not been set up as they were, providing this type of support for their clients would have been nearly impossible.

When leaders control what they can control, demonstrate foresight, and show genuine care for the people in their organisation, it is no surprise that staff respond in kind. Throughout the pandemic, productivity has increased at KNP Solutions which is a credit to the entire team.

Shortly after the commencement of the first lockdown in April 2020, Andrew Buxton, managing director of MAB Corporation in Melbourne, Australia, called a staff meeting. He reassured all staff that the company's main priority was ensuring that everyone's job was safe. While some working from home had been occurring, it certainly hadn't involved all staff. Computers, tables, and chairs were ordered and supplied to facilitate all team members having the appropriate equipment to work from home. All leaders were informed to do what was necessary to support staff throughout the transition to working from home.

David Allt-Graham, general manager, Residential, knew that one of his team members was in a challenging situation. Mike Stasiuk's wife and youngest son were in Norway with her family, and the airlines had cancelled their return flights due to the global lockdowns that occurred at the start of the pandemic. Mike also had his eldest son with him, who had just commenced his primary school education. Like many parents, Mike would have to home-school his son, work from home, and maintain contact with

his wife and son in Norway. David quickly realised that it might be quite some time before Mike would know when his wife and youngest son would be able to return to Australia. With his own young family, David empathised with Mike's situation.

David reassured Mike that he had complete control over his time. He was encouraged to focus on home-schooling his son as required, and if he needed time in the afternoon to connect with his wife and son in Norway, he was given support to do so. David understood that it would take Mike a few weeks to work out a schedule that would work for him and his circumstance. Mike is a high performer by any definition. With the freedom and autonomy provided by David and MAB, he continued to perform at a high level while home-schooling his eldest son throughout more than 180 days of home-schooling during 2020. In addition, it wasn't until 26th December 2020 that his wife and youngest son were reunited with him in Australia.

Mike's story is an example of the genuine human reality that millions of people have faced and continue to face due to the pandemic. MAB Corporation was not responsible for Mike's situation. But their support and genuine care for him enabled him to get through an unbelievably difficult time while he continued to deliver value for the organisation. At the time of writing, more than 20 months after the initial lockdown, no one at MAB Corporation has lost their job due to the pandemic. Andrew Buxton has been faithful to his word.

Notice the pattern in these positive examples. The leaders were all **proactive** in their actions. Proactivity is the first habit in Stephen Covey's seminal book, *The 7 Habits of Highly Effective People*. As a leadership behaviour, proactivity works. But first, you must assess what you believe about leadership.

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