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INSIGHTS REPORT BY JEFF BENVENISTE

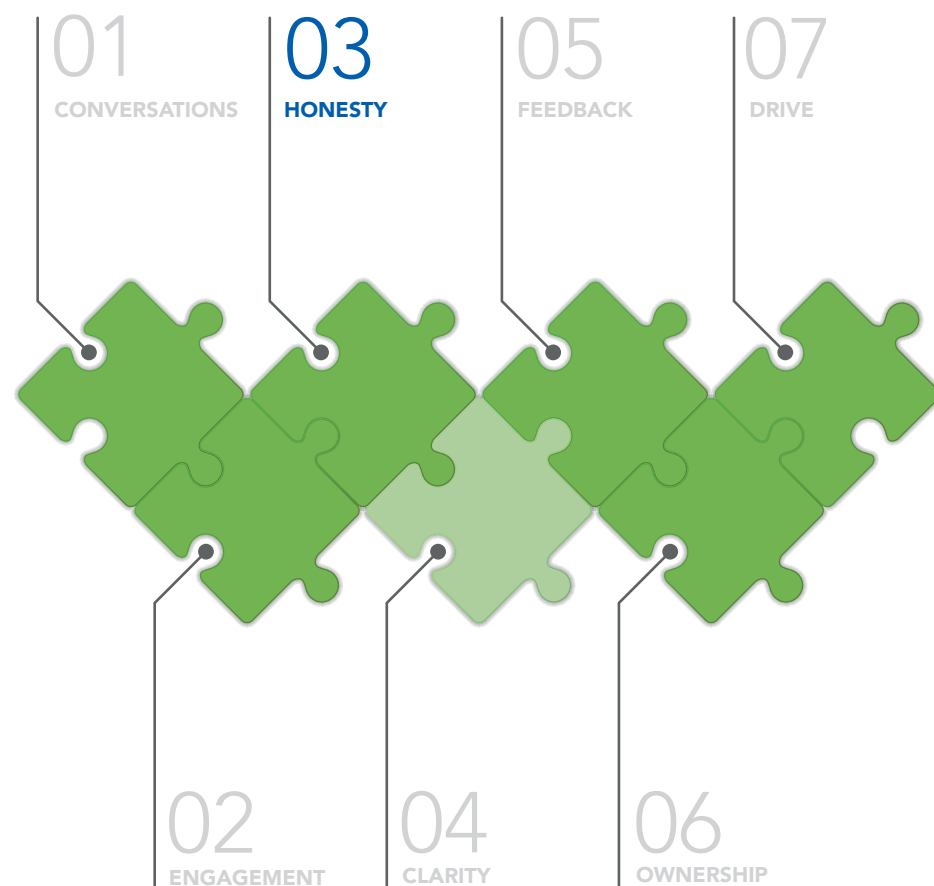


THE 7 INGREDIENTS OF WORLD CLASS PERFORMANCE



The truth is like a lion. You don't have to defend it. Let it loose. It will defend itself.

The 7 Ingredients of World Class Performance are genuine indicators of the life and soul of an organisation's ability to be dynamic and flexible in this era of unstoppable change and uncertainty.



IN THIS REPORT, WE FOCUS ON...

HONESTY >>

About this report

This report focuses on 1 of the 7 ingredients, **Honesty**, and revolves around insights gathered from a survey of over 206 organisations. Participants were asked to consider their organisation against two polar opposite statements for each of the key ingredients and select the option which they felt their culture was most aligned to. There was also an opportunity to explain their choice and consider what costs or benefits are in such a culture. I have added to this my own insights and gathered external research and thought leadership on the subject.

Whether you are a business leader responsible for managing the performance of a team, or a people development professional within an organisation, we hope this will challenge your thinking and inspire you in how to better engage with your people and raise levels of performance.

HONESTY

We have a very open and honest culture, and where necessary, are prepared to challenge and have 'tough' conversations.	31%
We are not always open and honest and have a tendency to avoid challenging each other or have 'tough' conversations (where necessary).	69%

ENGAGEMENT

People are unclear and /or disengaged about the future and where and how they fit in.	44%
Leaders provide a clear and engaging vision to inspire and motivate.	56%

CLARITY

There is a lack of clarity and transparency on what is expected from people in their roles and how their performance will be assessed/monitored.	37.5%
People have clear roles, success measures and accountabilities which they understand and commit to.	62.5%

OWNERSHIP

Managers say they lack the time to manage performance and regard managing performance as an 'add on' to their role.	50%
Managers take full ownership and responsibility in managing performance, ensuring it becomes an integral part of their role.	50%

CONVERSATIONS

Managers overly rely on the formal appraisal meeting to manage and drive performance.	56%
Everyday performance conversations based on trust and strong relationships are the bedrock of how we manage and drive performance.	44%

FEEDBACK

People lack the skills and confidence to give regular, constructive feedback which motivates others and improves performance.	81%
We are experts at giving regular constructive feedback which motivates others and improves performance.	19%

DRIVE

We tend to settle for 'accomplished' performance, missing opportunities to properly celebrate success.	47%
We drive for 'outstanding performance', regularly building on success and nurturing high performing talent.	53%

Honesty:

THE KEY TO SUCCESS

Honesty isn't simply the best policy - it's the only way to build a successful organisation.

A culture of honesty results in more than merely "happy workplaces". A deep-seated respect and expectation for honesty makes companies more successful and more profitable.

A 2010 study by the Corporate Executive Board found that companies that encouraged honest feedback among its staff, and that rated highly in the area of open communication, delivered a 10-year total shareholder return that was 270 percent more than other companies - 7.9 percent compared to 2.1 percent. That's impressive.

"A man's reputation is the opinion people have of him, his character is what he really is."

Jack Miner

270% more shareholder return

Corporate Executive Board, 2010

The evidence is compelling. Respect, trust and open communication from line-managers increases employee engagement and drives bottom line performance.

According to a recent CIPD report, organisations that get this right show a 19% increase in operating income, a 28% growth in earnings per share and revenue growth 2.5 times that of organisations who don't.

19% increase in operating income

CIPD, 2011

Kouzes and Posner's 'Leadership Challenge' provides insights from 25 years of research asking thousands of people "What do you expect from a leader you would follow, not because you have to but because you want to?" From the 20 traits to choose from, there is one that appears at the top of the list every time and that's Honesty.

We all want our managers and leaders to be truthful, ethical and principled. Indeed, when people talk to us about the qualities they admire in a leader they often use the terms solid integrity and strong character as synonymous with Honesty.

"We simply don't trust people who can't or won't disclose a clear set of values, ethics, and standards and live by them."

Kouzes and Posner, 2007

In our programmes, we ask delegates to share a...

Performance conversation (they have led or been part of) when they or someone else was not completely honest. Perhaps it's a time when they were too nice to someone about their performance and avoided a tough conversation to feedback something important. Or a time where they disagreed about the direction of a specific project but didn't have the courage to express how they really felt.

Delegates are then asked to consider the costs of not being completely honest.

What was the impact on themselves, the other person, the team, customers, peers and ultimately the business? It's always surprising to hear about the aftermath of such situations and the size of the impact.

There is always a long and varied list of costs including:

- Lost sales or opportunities
- Time wasted
- Reduced focus and clarity on task
- Poor decisions made
- Repetition of mistakes and errors
- Missed deadlines
- Reduced productivity
- Reduction in trust
- Lack of engagement and motivation
- Reduced self-awareness
- Relationships suffer
- Loss of reputation and profile

In our survey, we asked participants to share their own experiences of honesty and why it is so important.

"If something is not working or needs changing... it's better said than ignored... especially when consequences are high."

...
Although investment of time is required to build more of an open coaching culture there are huge benefits in terms of productivity.

...
We have some colleagues who are serious underperformers and are never challenged on how they behave, so no one knows what 'good' looks like. This creates a self-reinforcing negative culture.

...
Keeping people out of the loop when discussing challenging situations may cause alienation and demotivate those involved.

...
People don't know where they stand in performance terms or assume their current level of performance is acceptable.

Just 31%

of organisations felt they have an open and honest culture, and where necessary, are prepared to challenge and have "tough" conversations.

Global Edge Survey

Whilst the benefits of an honest culture is plain to see, evidence suggests that organisations struggle in making this a reality.

In simple terms, if open communication is facilitated and encouraged by managers and leaders, the more comfortable people are in being completely honest with each other. We need to support people in having everyday conversations about performance, to provide feedback and clarify goals and direction.

"People do not want to rock the boat, so avoid those tough conversations."

...
The culture is still too polite and nice and I observe people avoiding having difficult conversations, because they are still not comfortable with it.

But managers and leaders themselves struggle to be completely honest.

Clearly, the environment, processes, technology and cultural norms in our workplace have an influence on how people interact and communicate with one another. "How we do things around here" will have an impact on the level of honesty people use in different situations. The danger with the more formal performance appraisal system and often explicit link to reward is that managers feel constrained by what they can and cannot say - and in doing so, end up not being completely honest.

The biggest barrier for managers in being completely honest is themselves.

Fear, anxiety, and thoughts about how to say something, whether it's acceptable, what it will feel like and the reactions they might get.

In his book, the Chimp Paradox, Steven Peters talks about our psychological mind being made up of three separate brains: the human, the chimp and the computer. The chimp is the emotional thinking machine, often jumping to conclusions, prone to paranoia and thinking irrationally.

The chimp is five more times more powerful than the human part of our brain, which thinks logically and makes decisions based on evidence. So when we face a situation where we need to give difficult feedback to someone, the chimp is more likely to take over. This means we end up deciding what to do based on how we feel, rather than searching for the facts and establishing the truth.

The chances are we will have all kinds of hunches, defensive thoughts and feelings in our brains that drive us to perhaps dress up the truth and avoid being completely honest.

This inner voice is also explored by Timothy Gallwey in The Inner Game of Work. He explains that we "distort" situations to the point where we respond ineffectively.

The thing is, most managers consider themselves to be honest already and meet the criteria of not telling lies or cheating. They find it difficult to think of any specific they can do to improve and become "more or extremely honest".

At Global Edge, we provide insights to the psychology involved in everyday performance conversations, through our unique model of what makes an outstanding performance manager.

We think that there are two key ingredients you need to be more honest and importantly be seen to be more honest.

1) The first is to be more authentic.

Being authentic is the ability to be yourself. We often say to managers this is about "bringing more of yourself" to work. The main impact of being authentic is people tend to trust you more if they feel you are being authentic. It's difficult to take any feedback seriously, especially challenging feedback, from somebody that isn't genuine.

Being authentic means demonstrating high standards of integrity, taking responsibility for your own actions, choices and mistakes, keeping your promises and saying what is meant.

But above all being authentic is about sharing more of yourself.

When we work with managers, we help them think about what they can specifically share about themselves to be more honest.

Sharing More of Myself

- I'd share my standards and what's important to me
- I'd be open about myself and how I feel
- I'd be acting in line with my personal values and principles (what I really believe in and what I think is important)
- I'd be more vulnerable and talk about my weaknesses

"A leader who is both honest and assertive is perceived as being much more honest."

Joseph Fulkman, 2012

A Real Story...

An old lady approaches a branch of a famous high street bank to withdraw some money from her bank account.

She has difficulty opening the sliding door due to having a walking stick and a heavy bag of shopping to contend with.

The Bank Manager is on the other side of the closing doors greeting new customers as instructed by head office.

Since last week, he has been measured on the amount of time he is physically present inside the bank to greet customers as they walk in.

He sees the old lady struggling and from a personal perspective wants to go outside and help.

He knows it's the right thing to do. However, his targets take over and he decides to stay where he is and let another customer help her out instead.

1) The second is being realistic.

People who are realistic have the guts to level with people. They have a realistic outlook and stay "adult", especially in the face of fear and challenge (see table on page 10).

The key to being more realistic with people is the appropriate use of assertive behaviour. Indeed in a recent study of 18,000 leaders by Joseph Fulkman, those who were in the top 90th percentile, in terms of their honesty, were also more assertive.

This is not easy when you have all those fears, anxieties and assumptions floating around in your head, which can act as distractions to being more assertive.

When we work with managers we help them...

1. Raise their awareness of these distractions.
2. Tune them out by focusing on other things in the conversation.
3. Help them find an "anchor" so they can relax into a more confident state.

Be Realistic

- Don't dress up the tough reality as praise (and cause confusion).
- Speak in a straight forward and clear way.
- Confidently level with people about the tough reality.
- Stand your own ground in challenging situations.
- Avoid making assumptions.
- Have the courage to stand by what you believe in.
- Be straight with people about what you think.
- Be bold and if necessary "go against the grain".



Think of it as 20 seconds of courage and saying what you need to say straight away.

Nothingshould be left or forgotten about and brought up another time.



Consider a Situation...

A leader is in a meeting where a group of people are discussing plans to increase sales in a foreign country.

A colleague sitting next to the leader comes up with an idea and says, "I think we ought to offer bribes to those who are in charge of purchasing."

After the colleague states their idea the leader thinks to himself, "That is highly unethical - someone ought to say something." But no one speaks up about the fact that this is unacceptable and unethical behaviour.

The competency that helped the leader identify the suggestion as unethical was **Honesty** (and integrity), but the competency that will help the leader to stand up and disagree with the suggestion out loud is assertiveness.

So we know that organisations with a commitment to honesty pays dividends in terms of productivity, employee retention, staff engagement, and company morale, all of which add up to stronger financial performance.

Ultimately it's up to a company's managers and leaders to set the tone and make honesty a cornerstone of company culture. Setting clear guidelines that facilitate open communication across all levels of your organisation - not just top-down - will ensure that everyone can voice their concerns in a timely, simple and direct manner.

However our survey shows that organisations struggle to do this with people distracted by their own fears, anxieties and feelings in being completely honest.

We need to work harder at helping individuals tune out those distractions and be more authentic and realistic. Only then can we build a more honest and productive culture in our organisations.

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BE AUTHENTIC

BE REALISTIC



Global Edge work with organisations committed to supporting their people through periods of growth or transition. By understanding and practising the **five standards** of conversation, we help people develop the skills required to drive performance and inspire change.

For further information and to discuss your specific requirements, please contact **Jeff Benveniste**.

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