A Time For Change

With continuously on-going changes in a fast paced business environment pressurizing Companies, Management needs to take a different approach towards maintaining staff trust and loyalty. Sam Swaminathan outlines important new measures Companies can adopt.

Companies are faced with severe pressure these days. The pressure almost always seems to be several orders of magnitude higher than those faced in the past. The pressures could come from a variety of sources like: new legislation that upsets the apple cart, technological innovations that challenge the uniqueness of your products/services, shifting customer preferences and social shifts say demography, lifestyles, and new work patterns

The list could go on. The end result seems to be the same companies are suddenly threatened; their star products or business line that produced vulgar profits are no longer capable of keeping the honey flowing. Often times, management has been lulled into a false sense of security by past profits that were mercilessly plundered. So much so, that the on- coming violent changes have gone unnoticed.

Which reminds me of the story of the frog. A researcher decided to place a frog in a bowl of water. He lay on his back and enjoyed the nice warmth of the water, and the quiet solitude of the surroundings. As time went by, the frog became so comfortable with his surroundings that he couldn’t think of a world any different from his peaceful bowl of water. Mr. Frog had internalized the learning that this is how life would always be. At this point, the researcher decided to gradually raise the water temperature.

The frog hardly noticed the change, since it was so gradual. In fact, the slight rise in temperature appeared rather comfortable. But this wasn’t some casual change. The temperature of the water kept rising, and finally became so high that the frog began to cook in it. By now, Mr. Frog knew something was seriously wrong, and wanted desperately to save himself. Alas, it was too late. He died.

So if you place a frog in a bowl of water and slowly heat the water, the frog will eventually be boiled to death. Corporations are exactly like frogs. When they get into the groove of doing things in a particular way, and receive some success for it,

they become oblivious to the changes surrounding them until it’s too late.

Typically, the board of such corporations would simply not have bothered to involve its employees from the beginning. Senior managers come and go, and behave like very important people, all the while treading on the toes of the rest of the organization. For reasons that have nothing to do with management competence, the company makes money. It foolishly takes credit for its success. Such successes are unproductive, because nobody learns anything from it. Anything of value, that is. In fact, management learns all the wrong things. This, in turn, encourages it to do more of the same.

Then, with neither announcement nor fanfare, things begin to go wrong. These disturbing symptoms are ignored. They are treated. as temporary nuisances. Everyone hopes that things will soon return to normal. Staff, meanwhile, are beginning to see the cracks on the wall, and wonder what to do with the knowledge they have. Knowledge which is contrary to what management is talking about.

What should be expected? That staff will leap up and down, bringing to the notice of the management these discrepancies. Does this happen? Not in your wildest imagination. Why? Because management never fostered a sense of meaning in the lives of staff. ‘Hey, we know it, you simply get on with it’, has been the tune all these years. Corporations are really great. They talk about hard times, and the need for serious cost-cutting. They then go and pay handsome bonuses to a chosen few, while chopping the benefits of people lower down the ladder! Are these guys mad or do they think everyone is dumb?

Isn’t it silly then to expect people to suddenly change? Of course, it is. Suddenly, managers who never cared to talk about communication, start talking about open-door policies. What happens next? Greater cynicism, among the troops.

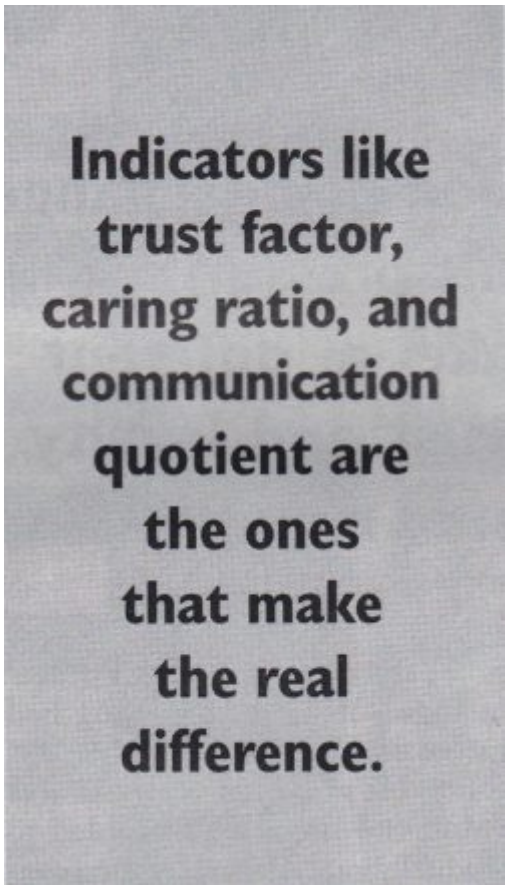
Yet, there is hope. Some really good guys take management seriously and decide to take up the offer of open-door communications. Do they receive any real support? No not by a mile. How can they get any support when management itself doesn’t believe in its slogans. Management continues to behave as it always did. After all, old habits die hard. These good guys get their fingers burnt. They return to base camp, only to be ridiculed by their colleagues. Social ostracism often takes place.

The few among the troops who might have been thinking of helping out, soon give up as well. A greater divide between **‘us’** and **‘them’** develops.

The only persons who can really help the company its own staff decide to do the least about it. Management by now rants and raves about lack of staff commitment. Do managers realize that they are the people who had no commitment, and this has now snowballed into a greater unstoppable force?

Now, supposing these managers had behaved differently right from the beginning. Supposing they had set up processes to develop deep trust and respect across all levels right from the beginning. When things are going great, you have the time, resources, and flexibility to attend to these crucial matters. Of course, things like trust, respect, and integrity do not appear on balance sheets. These are the invisible assets of your company.

Add to this list things like in



tellectual competence, fairness, equal opportunity, a deep sense of caring, compassion, and you have a really powerful set of parameters that will never appear in colorless balance sheets and income statements.

How about some new measures like:

Fairness indicator –

the ratio of the number of people treated fairly Vs the number treated unfairly. Get your staff to work it out.

Trust factor-

how many people trust management Vs how many don’t.

Caring ratio –

how many people care for the company Vs how many don’t.

Communication quotient –

how many people think management communication is good Vs how many think it is bad.

Don’t think this is something silly and frivolous. The most successful companies would fare poorly on these counts. Here’s a story: As they were driving to work on March 7, 1996, Ciba-Geigy employees heard on their car radios about a merger between their company and Sandoz. No one had cared to tell them about it. Nor did anyone explain how the merger would affect employees. A perfunctory and terse message was sent out that workforce reductions of at least 10% were expected.

If management cannot trust employees with such critical information, how the hell can employees trust management? Why should employees put the company’s interests ahead of their own? When such a thing happens, what should employees believe and what should they not believe?

Indicators like trust factor, caring ratio, and communication quotient are the ones that make the real difference. Profits and success are effects of these causes – profits don’t happen in spite of these factors. The profits you are racking up today without these factors are minuscule compared to what you could really make.

The truth of the matter is simple- management has lost its credibility, employees are scared, and there just isn’t any trust left. If you find yourself in such a situation, it’s time for managers to apologize for their mistakes, and to acknowledge the pain

workers. have experienced because of management’s folly. This isn’t time for being cool and under control. It’s time for being real and human.

Just check out your department, division, or operation how do you rack up on these measures? Would you dare measure them? Then, would you dare announce them? Are you even willing to think about them?

Sam Swaminathan is a Soft Skills Management expert, trainer, speaker, and consultant. Sam Swaminathan is also the founding director of the Centre for Creative Thinking, Dubai.