

On leadership, freedom, questions and values

A few samples from "Freedom, Inc." by Isaac Getz and Brian Carney (Crown Business, 2009) and "The seven-day weekend: Changing the way work works" by Ricard Semler (Portfolio, 2004)

Collected by Laurent Ledoux

ledoux.laurent@gmail.com – www.philosophie-management.com

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From "Freedom, Inc."

How & Why companies

He eliminated the time clock because employees "should work to make products, not hours." At the same time, he eliminated overtime pay while raising salaries to the level of one's total pay over the previous year, for the same reason. Zobrist captured his leadership philosophy with a distinction. There are, he said, two kinds of companies: "Comment" in French, or "how" companies, and "pourquoi", or "why" companies. "How" companies spend their time telling workers *how* to do their jobs – where to place the machinery, when to come to work and when to leave, and so on. This has two consequences. The first is that you end up judging employees by everything except what counts, which whether the job gets done and the customer is happy. The second is that it becomes difficult, if not impossible, to change any of the myriad rules about *how* to get things done. You want to move that cart to a different spot on the shop floor? You need clearance from your manager, who may have to ask *his* manager, and so on, creating a never-ending "chain of *comment*." The result, as Zobrist put it, is that it becomes impossible to get the work done without disobeying somebody in the chain of command. A *pourquoi* company is different. It replaces all the myriad "hows" with a single question: Why are you doing what you're doing? The answer is always the same: to keep customers happy. As long as what you do satisfies that commandment, Zobrist doesn't worry about how you do it. Freedom at FAVI meant replacing the chain of *comment* with a single *pourquoi*. (p. 16)

Questioning

So Bill Gore (of Gore, producer of GoreTex) decided to take his supervisors out to dinner. Soon the monthly dinners became an academy in the values and principles of leadership. "It was almost a Socratic approach to teaching people to lead", recalled Lewis. "...He would discuss problems that we had and would ask everyone, 'How would you do that?' We would hear different ideas about how to deal with situations. It was absolutely a dialogue. He would never drive his answers to us, [saying, 'This is] what you ought to do'. Instead, he would ask, 'How have you solved this problem? Has anyone else experienced one of these?' Meanwhile, he was also instilling in us values and value judgements." (p. 6)

Fairness

Fairness means, above all, that human dignity is not subordinated to bottom-line considerations. Lewis may have thought he was saving money for a struggling start-up with a dwindling bank account. Instead of frugality, Bill Gore saw short-term thinking that would lead to long-term failure. (p. 10)

From "The seven-day weekend"

Growth (I)

If growth is necessary to success, we need a means to guarantee that it continues. Still, nothing grows indefinitely. In nature, growth is only temporary. The tallest trees are the first to get struck by lightning. When I asked once at a medical conference if anyone knew of an organism that enjoyed perpetual growth, someone said cancer and pointed out that it eventually kills its host. (p. 90)

Growth (II)

I once took a physics course, at the end of which the professor had only one question: How far can you go into a forest? The correct answer was midway. Go beyond that and you're leaving the forest. I think of this when I consider my company's growth. Are we growing or merely leaving the forest? There is no such thing as perpetual growth. Yet that's what many traditional business people crave. (p. 90)

Questioning

Incorrect questions will generate incorrect answers, followed by misguided directions and a mistaken assumption of how well an organization is doing. (p. 100)

Measures

A list highlighting the Happiest would have no names in common with one listing the Wealthiest. The same is true for companies. Cash on hand, revenue, and profits are wonderful indeed, but say precious little if taken on their own. If Enron had stayed in the black would that have made it any less sleazy? Of course not. Profits must be judged as moral or immoral by how they are earned and how they are disposed. Without a new barometer, we are left with the old barometer – profit for its own sake, regardless of whether it is sustainable or ultimately ruinous. But over the course of a seven-day weekend when a reservoir of talent is tapped, a calling is found, a true, well-rounded definition of success is established, people may realize they're working not for the money but literally working *for* and *on* themselves. And what a liberating realization that is. Organizations and people need other ways to measure how well they're doing. It might create a sense of energizing relief for individuals, and push companies toward the realm where sustainability and personal gratification meet profitability. (p. 109)

Values

Genuine, organic values must come from the ground up. Relinquishing control nurtures these values, because they'll then flourish in organizations like moss on rocks. They become integral to a company to such an extent that no one can tell who decided what or determined which way the company would do things. (p. 112)

Trust

This naturally evolving and shared culture bonds people within a company, and it's founded on trust. You cannot have integrity, dissent, respect, or open communication without it. You must believe those features are constructive, even when they are sometimes painful. That only works if people trust each other, and trust the company. (Simply working the word "trust" into the mission statement won't cut it.) [...] I'm often asked: How do you control a system like this? Answer: I don't. I let the system work for itself. I'm sure that if somebody in the company decides that the only way to compete in a business is by paying a 10 percent kickback, the Semco system will choke on the idea before it emerges. That's always been the case. I don't know who will object or call a meeting to discuss it, and I don't know how they will stop it. But I can be absolutely certain that people will stand up and ask if this is now how we do business. (p. 123)

Giving up control (I)

Dictators come and go, and when they go the dictatorship goes with them. When a true leader departs, the company he leaves behind is healthy, self-governing, vibrant, and intact. (p. 184)

Giving up control (II)

I think Semco's great success can often be attributed to my absences. Nobody cancels meetings as much as I do. Nobody avoids projects as often as I do. [...] Success doesn't come from one man alone; it stems from collective decisions that your colleagues and employees heartily support. (p. 190)

Giving up control (III)

As circumstances change, leadership must change. A certain set of skills, instincts, and personality traits may be perfect today, but useless tomorrow. The exercise also raises the questions whether leadership is necessary at all. (p. 199) [...] True situational leadership – flexible, effective, evolutionary – can only arise from self-management. And that means that situational leadership doesn't change fundamentally with circumstances. It is always about giving up control. (p. 200)

Giving up control (IV)

I believe the time for organizations designed on the twentieth-century model is over, especially those based unknowingly on the Communist or military models. Redesigning the sustainable workplace for the twenty-first century means letting in fresh air and giving up control. That's easy to say, and hugely difficult to do. Asking why is terribly distracting for most CEOs. Managers aren't looking for ten- or twenty-year change programs – they want simple, objective goals: profit, growth, healthy quarterly reports, trained people, orderly markets, competitive advantage. Until these organizations face reality, give up the futile quest for control and begin to respect such concepts as workplace democracy, the need to question everything, and the search for a more balanced existence, even the most modest goals will be beyond reach. (p. 234)

Wisdom

"What you are essentially advocating at Semco is harnessing the wisdom of people," a friend once told me. "Their reservoir of talent, the natural wisdom of the system, the wisdom that only comes from freedom, the wisdom that emerges however unevenly from democracy. Wisdom is what you get by asking why..." [...] Semco's most precious asset is the wisdom of its workforce, and our success grows out of our employees' success. (p. 232)