REGRETS? I'VE HAD QUITE A FEW

BY KARL MOORE

No regrets, none at all. Over the last couple of years, I have read any number of newspaper accounts of retiring CEOs asked to list their regrets; without exception, they claim to have none. My reaction is invariably to roll my eyes. None? Really?

I remarked on this to a friend who recently retired from a management post at Standard Life here in Montreal, and he said he too had no regrets at the end of a thirty-five-year career. Then I asked Bob Brown, who just retired as CEO of flight-simulator manufacturer CAE, and he also claimed, looking back over a satisfying career, to have no regrets.

Now, I respect these men too much to dismiss what they said, and I concluded that the difference between them and me—the reason why I continue to harbor regrets—is that I still have years to go before I retire. Retired top executives, having reached the heights, have generally made peace with their failures, setbacks, and mistakes. They provided for their families and feel as though, overall, they did some good in the world; they feel that their work had meaning and significance and that they are ready to move on to the next phase of life.

But as with any executive still reporting to an office each week, I am not there yet. With 11- and 13-year-olds at home, I still have fifteen years or so ahead of me, particularly if our youngest goes on to graduate school. That leaves plenty of room for regrets—and, "My Way" notwithstanding, that is a good thing. Why? Because I still have sufficient runway ahead of me to make up for mistakes, to turn things around, to choose a different path. In other words, I can still change. I am not at the end of the road but in the middle of it, and that makes all the difference.

It strikes me as a very good thing that those of us still in the arena are willing to see our errors and shortcomings. We still can do something about them and thereby rectify at least some of our regrets. We will live another workday, work year, work decade. We will have many opportunities to improve, to learn, to strive to do better, to *be* better. I believe it is healthy for us, those in the middle, to not be content, to not be fully satisfied, to continue to strive.

At age 52, President Theodore Roosevelt gave one of the twentieth century's most memorable speeches. To an august audience at the Sorbonne, he contrasted the role of the critic with that of "the man who is actually in the arena," a man "whose face is marred by dust and sweat and blood . . . who errs and comes up short again and again, because there is no effort without error and shortcoming." Even in a spectacularly well-lived life, Roosevelt was someone well acquainted with mistakes.

That is, for better or worse, where I am today. Perhaps, dimly, I can see the end from where I am, but there is of necessity—and children—a long haul ahead.

Each year I can and do have regrets. A sample of mine from this year: getting overly upset with a colleague in a way that was unfair to him, turning down an opportunity to write with a colleague (I let the urgent crowd out the important), missing an emerging business segment in my consulting activities, traveling too much for too little return and so missing out on never-to-occur-again moments with the children, trying to get on big-company boards to no avail, making too little progress on learning French, getting low ratings on an executive program at Duke, and skipping a family vacation because of time and money. Some of these are specific to my life as a mid-level academic; others would resonate with most executives.

Acknowledging regrets—even listing them—strikes me as healthy and productive: I can face the next year with lessons learned, mistakes to be apologized for, and different approaches to be adopted. I can be better, do better. I can become more like that person who, in Roosevelt's terms, "does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause." Having regrets doesn't require great angst and feelings of guilt—if we handle them well, regrets are a useful management tool.

In fifteen or so years, at my retirement party at the Faculty Club at McGill University, I hope to honestly deserve to finish off with the rest of Roosevelt's 1910 quotation: ". . . who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat." Then I too perhaps can say, "All in all, I have no regrets." And, with that, move on.

KARL MOORE is an associate professor at McGill University's Desautels Faculty of Management, where he still hopes to be a full professor someday. He is co-director with Henry Mintzberg of McGill's Advanced Leadership Program and interviews leading CEOs for a weekly videocast for the *Globe and Mail*, Canada's national newspaper.

TENSE. WORRY. CHOKE.

BY DOUG RIDDLE

We're fascinated by the reasons that things go wrong. And they go wrong quite often—sometimes in spectacularly unpleasant ways, sometimes in a slow slide into irrelevance. Whole industries are devoted to the diagnosis of failure; there are some lovely, detailed models of organizational disaster. I'm persuaded that in many cases there is a simple, accessible common factor that affects us as individuals and as organizations. It's anxiety—or, rather, the difficulty individuals and organizations have managing their anxiety. This lens has been helpful to me as I've watched smart, talented people and organizations drive themselves into the ground.

It happens when the whole focus of attention is on the risks and dangers of living in this difficult world. While I'm not such a Pollyanna that I think we should focus only on our strengths and opportunities, it isn't difficult to get into an obsessive preoccupation with managing risks, real and imagined. I used to believe it was something we could blame on the corporate legal department, because it's their job to identify and hedge the organization against excessive risk. But now I think it has more to do with the way we react to potential risk: We let it control our business choices.

In organizational life, it manifests in a couple of ways. One occurs when organizations begin to multiply their policies and rules to cover every potential problem. The paradox is that contracts and policies that build in protections from every type of malfeasance or negligence define the relationship as fundamentally absent of trust. That is, they communicate more than limits or boundaries—they communicate an implicit expression of the relationship itself. Perhaps more important, the multiplication of rules and policies has a chilling effect on creativity and innovation. When there are many rules, it becomes the first responsibility of employees to make sure that they are not violating them.

Then comes the documentation. While documentation is important to preserve records of actions and ensure reporting, the need to document everything can mean that 20 to 30 percent of the creative energy of the organization is diverted from customer service, product development, or business strategy. Some businesses find that filling out forms is their new business model. New rules and requirements in HR policy or in contracts should be subject to their own rigorous risk assessment: Do they add sufficient incremental safety to justify the additional negative impact on climate and workload?

Last week I met a consultant whose firm focuses on performance improvement through people policies and practices. She told me several stories of companies that had accelerated the aggregation of HR policies, thereby clearly communicating to the workforce that none of them could be trusted and they were expected to attempt to steal everything possible from the company. She said something that we at the Center for Creative Leadership believe fervently: *You can't change performance if you don't address the culture.* She has proposed a single-sentence HR policy: "Every employee is expected to work for the best interests of the company and its customers and employees."

A culture of distrust (and its cousin: control) cannot spawn an organization in which everyone gives his best. That kind of culture comes only where leaders believe in the capability and generosity of their followers. Unfortunately, when the market is down and the strategy isn't working all that well, it becomes easy to blame the attitudes of the workforce. Or when someone goes off the track, it's easy to clamp down on everyone. The multiplication of "zero tolerance" policies shows how quickly we accede to the hierarchical solution, even if the result is the arrest of 5-year-olds for carrying camping utensils for show-and-tell.

Compliance is not creativity. Control is not commitment. Passion, creativity, commitment: These are all freely given or they are not given at all.

Our culture is flailing in a sea of anxiety about the economy, about jobs, about competing on the world stage. This is the time to reinforce our commitment to collaboration, to mutual trust, to shared goals. When anxious, our best escape is in a return to core values. We need to line up with people who are leading the way to positive environments, inspiring innovation, making high performance a pleasure.

Find them. Shine a light on their energy, and grant others the freedom to do it too.

DOUG RIDDLE is global director of coaching services at the Center for Creative Leadership. From the Center for Creative Leadership's Leading Effectively blog, at http://ccl.typepad.com/ccl_blog.

Exit, Interview

BY KEITH FERRAZZI

When an employee quits, he sits across the desk from a human-resources representative and is encouraged to give a candid assessment of his job experience for his own good and for the good of the company. The assumption, of course, is that when workers have nothing to lose, they'll speak their minds without fear of retribution. But does this really work?

When companies wait until employees quit (or get canned) to hear what they're really feeling and thinking, it's too late to fix the problem as far as the employee is question is concerned. When departing employees don't offer constructive insights during an exit interview, it's not hard to figure out why. They likely don't care anymore (they see no point in telling the company what they think now), they're teed off (and they use the exit interview to get even), or they don't want to risk offending colleagues (because they've been told not to burn any bridges—heck, they may work with these people again someday).

Moreover, the sheer idea of an exit interview unconsciously discourages candor in an organization. The process presumes that employees will get stuff off their chests only when they have nothing at stake in the game. That's exactly the opposite of the mindset of candor, which is about forging closer, deeper relationships with a trusted circle of advisers.

When departing employees don't offer constructive insights during an exit interview, it's not hard to figure out why.

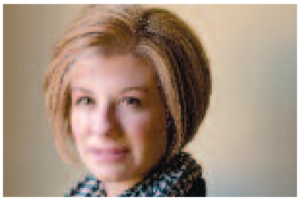
Another misguided example of corporate candor is the 360-degree review, in which employees give anonymous feedback about a colleague. Here the problem is secrecy. With no one sitting across from them, employees feel free to point fingers, while the people on the receiving end are too often defensive about being handed what they feel is an unwanted "gift." Instead of behind-the-back criticism, we should aspire to give candid and constructive feedback to one another face-to-face; it makes for a much stronger team.

KEITH FERRAZZI is a Los Angeles-based management consultant. From *Who's Got Your Back: The Breakthrough Program to Build Deep, Trusting Relationships That Create Success—and Won't Let You Fail* (Broadway). ©2009

BY LAURIE RUETTIMANN

HR: YOU'RE DOING IT WRONG

Candidates Deserve Better



LAURIE RUETTIMANN is an HR professional based in Raleigh, N.C. She blogs at punkrockhr.com.

GETTING AND KEEPING A JOB CAN BE SUCH A THANKLESS, joyless endeavor in our country. I don't blame human resources, though. I blame you, the leader of your company.

At all levels of your organization, your trusted advisers are taking the recession for granted. There are roughly six applicants for every open position in the United States, and your principal leaders are asking candidates to jump through hoops, sing fancy songs, and perform little tap dances in order to pique your interest long enough to make a hiring decision. Once hired, the picture isn't much prettier. I worry that you have a fundamental misunderstanding of the future of work in America, and I truly fear that you are operating out of hubris and disdain for the workforce.

In essence, I am worried that your hiring practices threaten your survival.

Don't believe me? Let me roughly outline the standard operating procedures of *Fortune* 500 recruiting departments.

You cut your recruiting budget and aren't allowing your HR department to use social-media tools in a sophisticated way to reach both active and passive candidates. Meanwhile, you push job-seekers toward outmoded and slow corporate websites that haven't been updated in a meaningful way in almost a decade.

When someone finally does hear about a job at your company, you expect the candidate to submit a résumé into a black hole that is known as your Résumé Database System. Interestingly enough, job-seekers have evolved and adapted during the recession. They are savvy enough to bypass your expensive and important OFCCP-compliant résumé system and "go rogue" with the intent of finding a more efficient, but totally noncompliant, pathway into your company. As a result, your sketchy hiring process exposes you to risk.

Once an applicant finally meets with a human being in HR, this poor chump is scrutinized to the nth degree by self-appointed stakeholders and thought leaders. You ask the candidate to perform a series of acrobatic acts and high-wire feats, and you brazenly demand a series of phone interviews, inefficient behavior-based interviewing sessions, and expensive and unnecessary meetings with everyone under the sun so that the candidate can prove his worth.

When your company finally gets around to making an offer, it's ugly. Your leadership team acts as if it's doing this poor sap a favor by hiring him in the first place. Instead of wowing your candidates and making them fall in love with your brand, you've instructed your HR department to play the game of *How Low Can I Go*? You pay new employees below market value, and you talk up a total-rewards package with benefits and equity that never fully come to fruition.

Argue with me all you want, but this past October, the Human Capital Institute and Monster Worldwide released the results of a survey demonstrating a growing divide in perception between employers and the workforce. The most notable finding: A whopping 84 percent of companies say that their people are content simply to have a job.

That's right. You're doing your workforce a favor by hiring them through an inefficient recruiting process and keeping them on your payroll. They are lucky to have jobs and honored that you continue to endorse their paychecks. Unfortunately, only 58 percent of workers surveyed feel the same way.

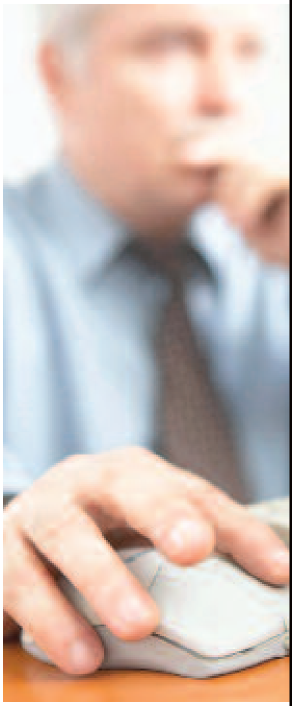
That gap should offend every single worker. Executive leadership teams, corporate boards, and HR departments need to wake up, brush the arrogance off their shoulders, and recognize that a jobless recovery doesn't mean that robots will one day replace human beings. You will never be able to eliminate headcount and labor expenses from your budgets.

I'm not sure whether you realize this, but we still need to hire people in this country. We need big ideas. We cannot take our workforce for granted. One day, the employment landscape will be more robust. Labor shortages will be the new norm, and you will scramble to find talented people. Green shoots are sprouting around us, and the future is almost here. This jobless recovery may last a few more years, but it won't last forever. You reap what you sow, and if you're doing HR right, you see the recession as an opportunity to revamp and improve your recruiting process, rethink your talent-management methodologies, and improve your overarching relationship with employees.

Consider the alternative: What will happen when potential candidates think back to their horrendous interviewing experiences with your managers and leaders? What will happen when talented people decide, "Thanks, but no thanks. I'll take my knowledge and skills elsewhere"? What will happen when job-seekers use social media to encourage their Twitter followers and Facebook friends to boycott your corporate brand because your employment process was so backward, slow, and offensive?

Who Your Friends Are

BY JESSICA LEE



Raise your hand if you're on Facebook! Meeee! And you, and you too, and 200 million others as well, except for those in China who at the moment cannot access Facebook whatsoever.

Lately, I've noticed a bit of coverage online about whether to be friends on Facebook with co-workers, or should you be friends with your boss on Facebook, or implications of friending/defriending, and while I understand these dilemmas, one particular issue struck me: Why are managers "friending" their staff members on Facebook in the first place? If you're unsure of whether to be friends with your boss on Facebook, fine. But what to do if your manager sends you a friend request? Oy. Let's talk that one through.

I was talking with my CEO the other day, and the issue has come up with other leadership team members for varying social networks, and the topic was simply the proper etiquette for becoming friends or connecting with others on social networks. From my CEO's perspective, and as a CEO, he'll accept a Facebook friend request from someone within our organization (and yes, I friended him as soon as I found out he was on Facebook!), but he won't personally seek out any "friends" within the company. And his reasons make sense:

- He doesn't want to put pressure on them of any sort to have to be his friend.
- He doesn't want them to think he's pursuing them in any inappropriate way.

And maybe most importantly,

- He doesn't want them to feel like he's watching them in any way.

My CEO's logic got me thinking that the same should probably apply to *anyone* who manages staff, and perhaps the same should also go for HR pros too.

Now, I know some of you will argue that maybe if your culture is ripe for it and that you're not a hierarchical organization and therefore, it's actually OK for a CEO or an HR pro to friend employees. *It shows you're open, it shows you're accessible, it shows you're cool.* I don't buy that. I work for one of the flattest organizations ever, it's extremely non-hierarchical, and I love that about our culture. But at the end of the day? Even in a flat organization, you can be friendly with staff, but as a CEO, as a manager, and as an HR pro, you can't really be friends with staff. You have decision-making authority, you hold a position of power, and you can influence. And that does not put you on even footing with staff.

I signed up for Facebook initially to use it as a spy tool. Seriously. And I still use Facebook today to look at candidates and business contacts. I know the debate rages on about whether it's even legal or appropriate to do such, but that's not the point. People are becoming more and more aware that many employers are "watching" their staff and looking at potential employees via social networks, and that makes it really hard for staff not to feel like they're being watched no matter how open and friendly a culture you have.

My advice? Be prudent. Don't try to be everyone's friend and follow the lead of my CEO. Be friendly, yes. Accepting a friend request, sure. Friending your staff? No. Let's just not go there.

JESSICA LEE is a senior employment manager for APCO Worldwide, a Washington, D.C.-based PR firm. From the Fistful of Talent blog, at www.fistfuloftalent.com.

THE RETURN OF THE MICROMANAGERS

BY WES BALL

YEP, IT'S HAPPENED . . . just as it does every time there's a fearsome economic downturn: The cost-side micromanagers are back in force.

Forget about creating demand, because everyone knows that as soon as money gets tight, people stop spending money. Forget about inspiring the entire company to work toward a common goal of building long-term strength and market dominance. It's time once again to cut everything in sight and micromanage every decision from top to bottom.

It's nothing new. But it is amazing that—despite decades of research that proves that companies that invest in demand-creation during downturn fare better during the downturn and much better afterward—the first thing that happens in most otherwise-smart companies is to cut, cut, cut and manage, manage, manage.

It's happening from the *Fortune* 100 all the way down to small regional companies. And it is killing the future potential of those companies.

I just witnessed the most appalling and extreme example of my thirty years in the business world. The holding company that owns a medium-sized, internationally dominant company fired all of the company's top managers due to the economy. We're talking chief executive, head of international sales, head of international marketing, plus several others. In their places, they put one cost-side micromanager to "whip things into shape quickly." There's no real need for much in between, because he is going to be dictating the limited strategies that everyone else will carry out.

I wish I owned one of the company's competitors that have wanted to overtake its long-term brand dominance, because this is the best time in their history to accomplish that goal. Employees are demoralized. They don't dare try to make any decisions or suggest anything strategic. All the brilliance that was the reason for their being hired is of no apparent value. This is a plum ripe for the picking.

Such micromanagers are the antithesis of leadership. By taking charge to fix everything in sight, they not only demoralize the smart people they paid so much to employ—they make the company vulnerable to attack from a broad range of competitors that might never have believed they could effectively knock them out.

We just watched Starbucks decline dramatically even before the worst of the economic downturn was revealed. That happened due to cost-side micromanagement, combined with a lack of understanding of what customers had actually been buying from them.

It's happening from the *Fortune* 100 all the way down to small regional companies. And it is killing the future potential of those companies.

Magnify that exponentially, and you have what we are about to see in the marketplace. Well-known companies and brands are going to be micromanaged into such weakness that we will see a very different set of leading brands in many product categories in five years.

How can you survive the economy and still maintain your strengths, so you have a bright future six, twelve, or eighteen months from now?

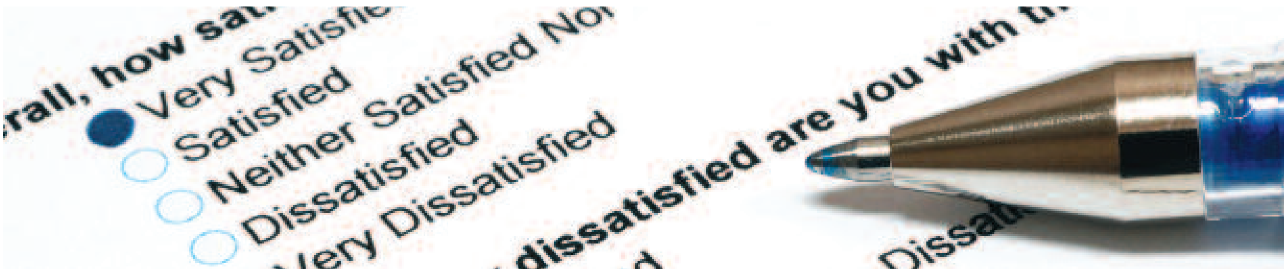
1. Don't lose sight of what your customers really have been buying. That may take some new research, because most companies don't really know why their customers buy from them. Here's a hint: If you think it's due to your price, your product's performance, your quality, your availability, or any other "functional" factors, you are wrong. Managing those factors will only make you weaker at a time when you need to enhance the ego-satisfaction fulfillment of your customers. In a downturn, people want to feel better about themselves (I call that "self-satisfaction") and to believe that other people think better of them (I call that "personal significance"). Miss those and you are imminently vulnerable.

2. Charge more than you think you can. Almost every company out there believes it has to charge less than customers are actually willing to pay—even in a time of recession. Every research study we have conducted (and that is tens of thousands) has shown that most companies in a category are over-delivering on price, meaning they could be charging more. That's a lot of money thrown away. And remember: It takes an average of three dollars in gross income to generate one profit dollar lost. So every dollar you don't get is actually worth three that you have to generate later.

3. Stop measuring outcomes—measure *causes*. Very few companies measure or track changes in the causes that drive the final outcomes they desire. By looking only at final outcomes, it is impossible to know how to improve those outcomes. You must understand and measure changes in the factors that drive greater demand and profitability and customer loyalty in order to affect sales, net profit, stock price, and all the other final outcomes for which corporate executives are held responsible.

This is the best opportunity in decades to grow dramatically and to come out on top in the six to eighteen months that a recession typically takes to cycle out. Don't allow fear to drive you into cost-side micromanagement and undermine your chances to achieve that goal.

WES BALL is a strategic innovation consultant and author of *The Alpha Factor*. From the Leadership Turn blog, at www.leadershipturn.com.



Satisfaction vs. Loyalty

BY WILLIAM J. CUSICK

Often, when customers do take the time to respond to satisfaction surveys, they'll respond that they are "satisfied" or "mostly satisfied" regardless of how they really feel. A study of people who recently left their banks illustrates this: 80 percent said they had been "satisfied" with their former institution. Of course, some people leave a bank because they have to move, or for some other valid reason—but not four out of five.

Why? What logical reason is there for somebody to mark "satisfied" when he or she is far from it? Simply put: It's easier. Also, the notion of "satisfaction" is a very soft concept. What does "satisfied" mean? For most, it indicates that overall, you, the company, are meeting expectations, more or less. Human nature is to be nice. If things aren't great, that usually spells "satisfied." And "satisfied" has very little correlation with loyalty.

Here's an example of what I mean. My wife Marti's car, an SUV (but I swear it's a fuel-efficient model), died on her one afternoon, in the middle of traffic, with two of our kids in the car. Needless to say, it was inconvenient and could have been dangerous. We had the car towed to the dealer, where I met up with Marti and we arranged for a rental. About three days later, the SUV was repaired, and I left work, met Marti at the rental-car agency, and drove to the dealer. The cause of the stalling was somewhat mysterious, but the service-department guy—let's call him Steve—said they had figured it out. As I was literally stepping over the threshold, on the way out to get back to work, Steve said, "Mr. Cusick, is there any reason that you would not rate our service a '5' out of '5' when you receive our satisfaction survey?"

Of course, my main motivation was to get back to work, so over my shoulder I muttered "no," as I jogged for my car. After all, it appeared they had fixed the SUV, and I needed to get out of there.

Two days later, it happened again: The car stalled, in traffic, with two kids in the car. The SUV was towed to the dealer, I met up with Marti, and I disclosed to Steve that I was less than thrilled. More hassle. Two days later, Steve called, and we went to pick up the SUV. On the way out the door, Steve said to me, "Mr. Cusick, is there any reason that you would not rate our service a '5' out of '5' when you receive our satisfaction survey?" I was irate. And yet, I didn't hesitate. "No," I snarled, doing my best to slam the door behind me.

Why, you might wonder, did I not stop and go through the incredibly obvious reasons why I was not satisfied? I was late for a meeting, I knew they couldn't "make me satisfied" at that point, and that their motivation was not my satisfaction anyway but the rating on the survey. And I didn't want to "help" them in any way.

What logical reason is there for somebody to mark "satisfied" when he or she is far from it? Simply put: It's easier.

Shallow of me? Probably. Irrational? No doubt. We act irrationally and are to a large degree slaves to our subconscious inclinations, whether we know it or not.

Regardless of what was happening in my head at the time—rational or irrational—do you think my *behavior* indicated a "5 out of 5"? And when we shopped for a new car, do you think we went back to that dealer? (Hint: Don't put money on it.)

WILLIAM J. CUSICK is co-founder and CEO of Vox Inc., a Chicago-based customer-service consultancy. From *All Customers Are Irrational: Understanding What They Think, What They Feel, and What Keeps Them Coming Back* (AMACOM). ©2009