

Walking the Talk:

an Article for Critical Eye

Archie Norman, the former CEO and Chair of the supermarket chain ASDA, left a haunting image when he spoke at a conference last week. He compared the store visits he engineered with those of ASDA's previous CEO. In the latter, a fleet of large cars would arrive at the Supermarket door and out would step 5, 6 or more senior executives. The store manager would be waiting patiently at the door. Hands would be shaken and the entourage would sweep down the aisles of the store. 'Hi, what do you do? You enjoy working here?' and then off to the next visit with a passing: 'tidy up that main display' to the manager on the way out.

By contrast, Archie would go alone, park in the far corner of the car park, leaving the near spaces to shoppers who were spending money. He left his jacket in the car and walked unannounced into the store. He'd chat to customers: 'what do you like?', 'what could we do better?', 'thanks for shopping here' and to the staff: 'What's the best thing about working here? And the worst?' and finally he would talk to the manager, maybe over a coffee in the canteen. 'What can I do to make your life easier?' 'How's business?' A final walk round the store, maybe with the manger, then off to the car park to write any action notes to himself before setting off for the next visit.

The point was not about the need to 'press the flesh' or be visible: it was how you got a realistic picture of what was going on and actually do some useful business whilst you were there. My own direct experience of the company bore that out when I was taking a senior Government Minister to an ASDA store to open an education programme. The Store Greeter (another of Archie Norman's innovations: he or she replaced the dour, uniformed Security Guard at the main entrance), welcomed us and was expecting us, but never failed to miss a shopper at the same time: both were made to feel equally important. The Director of Marketing was there, but before the small ceremony began he cleared the timing and the location with the store manager in a very visible way, respecting her authority, and also managed to have several conversations with customers en route. You left feeling that this store was clearly in touch with itself: it knew its priorities and it knew what was really important. It was more than walking the talk, it was living the talk and that engagement is a key indicator for success in this highly competitive twenty-first century economic environment. What Archie Norman realised very early on in his career at ASDA was that his front line staff would ultimately make

or break the supermarket. He could deliver cheaper prices, and his advertising would drive in customers but the staff in the stores were the determining factor in whether people ever came back. And this in turn was based around a company spirit and team approach which went from five minute team meetings every day before the stores opened, to the ASDA huddle for staff to show their commitment and solidarity: whilst shouting; "Give me an A....give me an S" etc. If you want proof of the success of the Norman conquest of ASDA, he took the company back into profitability, it overtook Sainsbury to become the second largest supermarket in the UK.

It is exactly the same logic that led the mobile phone company O2 to group their Call Centre teams into cohorts of 15. Each group had a name and a team leader. Try it: phone O2's customer service and if it is a tricky request, the individual will give his name, name his team and his team leader and tell the caller to ask for him, his team or leader by name if he or she has to call back. The team is given time to meet, share their experiences, get news about the company and its promotions and generally push the knowledge around. This replaced a massive Call Centre structure where everyone sat in rows and never talked to the person next to them. Nothing was shared (there was no time) and the only goal was hitting the calls answered targets displayed in red and hung from the ceiling. No wonder someone called these places the new dark satanic mills where only those unable to get a job elsewhere worked and they got out as soon as they could. Each O2 call Centre worker feels part of the company now and feels a certain pride at being on the front line. At any company conference, those staff are represented and their views sought. Previously they were expendable, no one really thought of them as any more than a necessary overhead until the technology could deal with all the problems. O2 is growing steadily, has a smaller churn than the competition and has a reputation for customer service.

A smaller Telco recently launched an advertising campaign with special offers, but neglected to tell its call centre staff. The first they knew, was when the phone calls started to torrent in. Hearing the member of staff ask the customer "What did the ad actually say?" did not instill a whole lot of confidence. The campaign hardly delivered.

The ASDA story was repeated at the BBC. Greg Dyke, as the new Director General, would turn up unannounced and alone at remote outposts of the BBC such as a small rural local radio stations. 'Hi I'm Greg' he would tell an excited receptionist. His visit was often the first from any DG in the history of that station. He talked to staff in the

lifts, he sat down with them at coffee and he encouraged them to email him with comments, ideas and suggestions. When he spoke about what was going on, the general view was that he spoke with deep knowledge. And senior executives knew that you could not weave a fantasy in front of his eyes that suited a position. If it did not ring true, he was onto it fast!

He asked for a new induction programme to be created that gave new staff a flavour of what the BBC was and what it did, and that conveyed the complexity and breath of its operations. He got *Upfront*, a programme that gave every member of staff the opportunity to make a TV programme, record and edit some audio and build a website so that everyone, regardless of function, had some direct experience of what the BBC created. The group, divided into teams, pitched programme ideas at commissioners: one team was voted the best pitch. Over the course of the first couple of years, four programme ideas were actually commissioned. That was quite a boost for a young, junior member of staff in her first week of employment at the BBC!

One of its enduring elements, however, was the Q and A session with a senior member of staff, often Greg himself. A full hour was timetabled for this. The Executive would sit facing a group of up to 90 'new starts' and any question, on any subject was allowed. Anything that could not be dealt with was taken note of and replied to by email the next day. It was a demanding, challenging hour where the leader was left in no doubt about the mood of the group and its collective anxieties and aspirations. At the end of the session, Greg always told the group that with 'such an awkward, demanding squad' coming into the Corporation, he was reassured that it was in safe hands for the future! Over a third of the current staff have now been through *Upfront* and many of the friendships forged over those initial three or four days have endured which means that staff working in one part of the BBC have a good understanding of other areas and maybe even alternative career pathways suggested by colleagues and contacts. This complex network of contacts has also solved innumerable problems where the quick phone call to the right person cut right through the protocol of hierarchy or delivered faster than the untargetted email shotgun blast.

The same was also true of the BBC Leadership Programme. Each new cohort would have their first face to face taste of the course listening to Greg share his leadership story, and answering any questions that the group could fire at him about what being a leader at the BBC

meant. That group had senior executives sitting in the same room as team leaders taking their first steps into management. No one was in any doubt that he took leadership seriously and he wanted to improve the overall quality of leadership right across the corporation. Even at the height of the weapons of mass destruction contretemps with the Government, Greg would turn up at Ashridge to greet the latest cohort. 'Yes' he would say, 'this is a big dispute' but that accentuated the need for good leadership. (And I would argue, good listening.) Under Greg's leadership the BBC performed exceptionally well: BBC 1 overtook ITV in terms of viewer numbers for the first time in its history and four new TV channels and four new digital radio stations were launched and the BBC website moved into the top ten of the world's most visited web sites with over 1.5 billion page impressions a month.

There seem to be a number of general points that emerge from these three experiences that apply across the board to any company, charity or public sector organisation trying to thrive in a complex and competitive environment.

1. **Staff matter.** Act as if they do. Systems, processes and technology only get you so far. The critical difference is the difference between an engaged workforce and an indifferent one.
2. **Knowledge needs to be shared.** Make it difficult for individuals to hoard knowledge. Knowledge shared in the most effective way possible, is critical for sustaining an organisation as it moves from the known into the unknown. Knowledge shared means applying the best possible criteria to the issue in hand and giving it your best possible shot. And most places will be charting unknown territories sooner rather than later.
3. **People respond to being treated well and made to feel part of the team.** Set up ways to check this happens and eliminate the systems and processes that mitigate against that. The top 10% can never have all the answers; an engaged 90% might just have them.
4. **Leaders who isolate themselves from their staff, insulate themselves from reality.** How do you know what is really going on? Reality has an uncanny habit of catching up.
5. **Create significant presence.** This is not a function of being seen around, it is a function of listening and engagement.
6. **Top managers do not need to know everything.** They need

to resist the pressure to have all the answers. Asking questions and interacting can yield rich dividends, that turning up and telling never can.

7. **Keep an eye on the front line.** Front line staff are often the bell weather of change in the external environment. It is important to remember who your front line staff are, and make sure that they know you are aware of their power to make a difference. Keep as close to them as possible.

8. **Be an acclaimed leader.** Ultimately, leaders who are given that accolade by their teams, fare better than leaders who take that title as part of the job role. That holds true from Shakespeare's plays to Shakespeare's brewery.

In conclusion, this is a time of transition, one where the developed world is lurching into new degrees of complexity and competitiveness; from a position where most things are known, to one where most things are not. This requires a new approach to leadership that attempts to engage everyone in the process of defining the future. The early winners will be those companies that 'get it' and the losers will be those that don't. In some respects it really is that simple.

Nigel Paine: September 2006

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