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THE ART AND SCIENCE OF CONNECTING THE DOTS

Lessons for Managers from Arts & Sciences

We cannot solve our problems with the same thinking we used when we created them. Albert Einstein

Can you connect the dots?

You've probably seen this puzzle many times. It's called the 9-dot problem and the task is simple: connect all the dots using 4 lines, without taking the pen off the paper. The dots are organized in 3 rows of 3 dots constituting a square.

Solving this puzzle requires you to look at the whole page and not the limiting space organized by the dots. If you are willing to get out there mentally you'll quickly find the solution. But most people never get there. We have been taught throughout our lives to follow the rules, the written ones and the unwritten ones and the ones that exist only in our mind.

As the world is getting more and more complex we need a new kind of management and the manager of the future needs to be able to get out of this limiting space – regardless of what defines it: procedures, market, company culture or his own office.

Fortunately they can find inspiration in arts and sciences for both artists and scientists don't have any problems with the 9-dot puzzle.

Peter Drucker found lessons in Japanese art and I see these lessons in medicine, architecture and the musical world. These are guiding principles that have been with us for thousands of years, long before modern management came along. They can show us how to think differently and communicate differently. These lessons come in the form of questions, because questions have the power to change our perspective.

Are you on the way to health or on the way to disease?

Ayurveda is a holistic system of medicine, born in India that has been practiced for thousands of years. At its core lies the assumption that we are on the way to health or on the way to disease. Disease is not something that develops overnight. It takes months and sometimes years to weaken the body to a degree that makes it possible for a serious illness to occur. In the western world the common assumption is that we are either sick or healthy. When we're healthy we indulge in all sorts of unhealthy behaviors or forget about healthy habits and when we get sick, we go to the doctor who prescribes medicine or suggests more invasive intervention. When you're young it is of little consequence but as you get older the diseases get more serious, chronic and increasingly more difficult to cure. In Ayurveda that was designed mostly as preventive and longevity science the focus is different – it's not focused on curing diseases but rather on making the body stronger so that it can deal with the disease. At its core lie self-awareness and prophylactics.

Jim Collins in his book "How the mighty fall" identifies 5 stages of a company decline (hubris born of success, undisciplined pursuit of more, denial or risk and peril, grasping for salvation, capitulation to irrelevance or death) and notes that the first three stages are visible only from the inside and not from the outside. In other words, there are behaviors within the organization that weaken the organization and make it vulnerable. The organization feels invincible and managers tell themselves comforting stories about their own success, ignoring the voices within their organization which tell them that they might be headed for a disaster.

A symptom or a cause?

When you wake up in the morning with a headache do you take a pill or do you start to wonder where the headache came from? Most people (judging from the popularity of painkillers) take a pill. It brings immediate relief but it doesn't solve the problem. The headache is a symptom – this is how our body communicates and it might be a symptom of dehydration or bad nutrition but by taking the pill we kill the messenger and thus we'll never know what caused it. The chances are that the headache is going to recur and the problem ignored might get more serious.

If as a manager you ignore the fact that people in your organization aren't learning or you just send them to a 2-day training session you might be doing the same thing – going for a pill instead of going for a long term solution.

What can managers do?

First and foremost the managers should diagnose the organization with the following questions:

- Are we on the way to success or on the way to doom? What defines our success today?
- What supports this assumption?
- What is my company's immunity system? What do I do every day to strengthen it?
- Do I listen to messengers? Who are they? Do I have a system that encourages them to stand up and speak?

These questions are a starting point but to understand what's going on the managers need to go deeper, to analyze the company's immunity system. The symptoms of decline are internal and when you look at the financials there might not be anything to worry about. But what if you look at the level of satisfaction of people who work for you? What if you look at the number of grassroots initiatives you've managed to implement this year? What if you look at the integrity and commitment of leaders in your organization? Do people in your organization develop? Do you develop?

How do you communicate with internal and external stakeholders? How much money is invested in new projects/ systems / initiatives?

If managers don't have the answers to these questions, if they don't monitor these indicators, and mistake symptoms for causes, they might wake up one day and realize that the organization is sick, weakened and requires a costly or invasive intervention.

Can you see it first?

When asked about sculpting Michelangelo famously said: "In every block of marble I see a statue as plain as though it stood before me, shaped and perfect in attitude and in action. I have only to hew away the rough walls that imprison the lovely apparition to reveal it to the other eyes as mine see it."

He always saw it first.

Everything starts with imagination, a vision, a concept: social movements, great companies and astounding buildings were not built in a day but they all started with someone who was bold enough to dream a better reality before he started thinking about obstacles or even plans. And when he saw the desired reality he got down to work with those who felt inspired by his vision.

In 2009 I went to Bangladesh to do an internship at Grammen Bank – I was inspired by the man and his story. Muhammad Yunus questioned the iron clad logic of the banks that lent money only to those who had collateral, depriving millions of people of the opportunity to start their businesses. Microcredit changed these assumptions. It turned Bangladesh around and the world followed. Muhammad Yunus said that all people were creditworthy, they were all potential entrepreneurs. To him people were like bonsai trees whose size depended on the size of a flower pot you put it in, on the conditions you create for them.

His knowledge came from observation of life around him – and in 1974 he was surrounded by famine and poverty. He was just like Peter Drucker a "social ecologist" - he observed and made conclusions organically. He noticed that women were more resourceful and they cared about the family so money he lent them always benefited the children. He noticed that small communities provide support that big cities don't, so all his operations are based in small towns and villages to prevent people from going to cities where all sorts of pathologies are born. He noticed that people had to be educated before they're given money so education was a key point in his activities both before lending the money and throughout the process of repaying the loan.

Finally, he decided that the purpose of his business is not profit but he wanted to make his business profitable. It was a breakthrough. Yunus saw no contradiction in making microcredit profitable – he thought it was necessary to make it sustainable and not dependent on donors' money.

His social innovation led to the development of a new business model called "social business" in which an entrepreneur has a social goal but wants to make money and keep the business profitable – as Peter Drucker once noted: the purpose of a business is not profit although all businesses must be profitable even if they are run by management board of angels. (Peter F. Drucker "Innovation and Entrepreneurship")

Bankers who talked to Yunus said it was impossible and these poor people would not pay back what they owed. He disagreed. He refused to sit in the space closed off by the dots and ventured out only to discover that what the bankers said was simply based on wrong assumptions hardwired in their minds. He observed and made decisions organically, they didn't.

What can managers do?

It all starts with observation. Managers have to learn to look at their environment and see what defines it – because that's the only way they can make organic decisions – based not on elegant theories of economics but on life. Companies become part of the environment in which they operate. They don't function in a social vacuum. They should be aware of the assumptions that define their businesses and ask: what would change if we used different assumptions?

Then they need to have the vision or core purpose.

In architecture everything starts with a vision. Architecture wonders such as the Brooklyn Bridge started with a drawing powerful enough to make people work fourteen years to make it real. Muhammad Yunus envisioned a world without poverty with financial services for everyone. His business consists of 25 companies that are all working towards this goal not just in Bangladesh but globally. Vision is a powerful thing.

It took fourteen years to connect Brooklyn and New York. It started as a design of a brilliant man John Roebling, an engineer who had a dream. Soon after the design had been approved John Roebling lost his toes in an accident and died of an infection a few weeks later. His son Washington swore he would finish the work of his father. He didn't have anything to improve on, the solutions weren't there. It was the first steel suspension bridge in the world. The sheer magnitude of the construction was mind blowing and the technicalities seemed overwhelming. First they had to drop caissons (large watertight chambers placed on the rocky riverbed and filled with cement) that would serve as foundations for the twin towers. Each caisson weighted 3000 tons and was made of wood and steel. The idea was that in order for the caissons to serve as foundations they had to be sunk to the bottom of the river until they hit the rocky riverbed – at 45 and 78 feet below the East River respectively. It required the work of thousands of people who dug out the sand and mud working in extreme conditions, often in complete darkness. Many people died of what now is

called caisson disease or decompression sickness. The vision kept them going, the vision that was being communicated relentlessly by leaders who worked shoulder by shoulder with those whose lives they put at risk.

The managers should learn to see the desired reality first, draw it, visualize it and then list the conditions that must be fulfilled for this reality to happen. Walt Disney was a man of many talents who created one of the most famous companies in the world. He offers some inspiration and insight for managers in this respect: in Disney's headquarters there were three floors: one for visionaries, one for engineers and one for accountants. It all started at the last floor where visionaries sat, unlimited by critical voices of those who sat on the other floors. When their vision was ready they went downstairs and talked to the engineers who were concerned with "how" and they walked back and forth until they agreed that the vision was feasible and didn't lose any of its boldness. Then the engineers went down to accountants and negotiated with them. The accountants pointed out the weak links and budget constraints and created a backup plan.

Walt Disney knew that accountants should never talk to visionaries directly and that without vision the company wouldn't have the slightest chance of becoming great. It's also a mistake to start with accountants and engineers or budget or operational goals. Vision is what drives bold initiatives. Both Yunus and Roebling understood its importance.

Communication matters: are you making people part of the story?

After many years of conducting the Boston Philharmonic Orchestra Ben Zander had his Eureka moment. He was looking at the cover of a new album and realized that the conductor of an orchestra doesn't make a sound. His music depends on his people and his task is to empower them. It changed the way he communicated.

Communication matters. Communication depends on what you think about people who work for you and it reflects what you think about them. It can be a source of motivation or it can be a source of demotivation.

Let me give you a few examples.

When the company cuts costs by firing people and cutting their salaries, installing plasma TVs in every conference room and upgrading CEOs car is a recipe for disaster. It shows that the employees are not valued and are not made a part of the story. The responsibility of the managers is to create a story that is inclusive and all decisions in the company must be consistent with this story. It creates trust and commitment.

In one of his talks about motivation and meaning Dan Ariely tells a story about a software company. Its CEO asked 200 engineers to innovate and create the next great product. After 6 months he canceled the project. What happened to the people? Not only did they feel depressed, they lost commitment and they started coming to work later, leaving earlier and adding extra items to their expense report. The decision to cancel the project could have been a good one but it didn't matter because the CEO neglected the communication, ignored employees' effort and didn't include people in the story. Good decisions that are not well communicated lead to problems and to bad decisions and it soon becomes a vicious circle. (1)

On the other hand if you know how to communicate, your decisions are going to have a powerful impact like the one made by Gordon Bethune the president of the Continental Airlines who took over when the company's reputation was worst ever. Employees and customers hated the company and felt ashamed of it. He understood that the key was employees trust. He had a bold vision to change the worst company in the industry into the best company in the industry. He started by sharing this vision with his employees and making sure the uncommitted ones left. Then he instituted open door policy, made himself accessible and often worked shoulder by shoulder with workers at the airport. Finally he chose one area for improvement. Flights were notoriously delayed which cost the company millions of dollars and Bethune's idea was to change it. He told people they would receive a bonus if planes left on time. There would be a separate check for 65\$ when they met their punctuality targets. They had to cooperate for if they didn't meet the target no one got the check. On every check there was a message: "Thank you for helping make Continental one of the best". The employees felt that they were a part of the story, the message was loud and clear and soon the airline became famous for its punctuality and then it went on to become the best airline in the industry. (2)

What can managers do?

Managers should listen and communicate relentlessly. They should keep in mind that they're the conductors of the orchestra, not the orchestra and no matter how much hand waving they do, they're not going to produce any sound. People need to feel included in the story.

How do you include people in the story?

Jack Welsh organized work-out sessions and every employee participated in at least one session like that a year. During these sessions that lasted 3 days people were asked to contribute ideas and recommendations and the managers had 3 options: say "yes", say "no", and say "I need more information".

Connecting the dots

Let's go back to the 9 dots – what assumptions hold you back? What do you need to do to get out of the limiting space of the unwritten rules and assumptions? What questions do you have to ask yourself and your subordinates?

Peter Drucker knew how to ask questions that changed people's perspective when he worked as a consultant and university professor. This quality along with his multidisciplinary approach made him well equipped for the challenges of an increasingly complex world. He understood the importance of questions when he said: "The most serious mistakes are not being made as a result of wrong answers. The true dangerous thing is asking the wrong question." The right questions are the guiding principles which determine the focus of the company.

So are you asking the right questions?

Is your organization on the way to health or on the way to disease? Are your ideas organic? Are they a result of careful observation? Can you imagine the bold results before you get started? Are you making people part of the story?

Resources:

"What makes us feel good about work?" Dan Ariely
<u>http://www.ted.com/talks/dan_ariely_what_makes_us_feel_good_about_our_work.html</u>
"Start with why – how great leders inspire everyone to take action" Simon Sinek
Portfolio/Penguin Group; 2011;