



“COMMITMENT AND TRUST CANNOT DEVELOP UNLESS EMPLOYEES ARE GIVEN A VOICE. THIS MEANS HR MUST SUPPORT THE DEVELOPMENT OF EXTENSIVE MECHANISMS THAT ENABLE ALL EMPLOYEES TO OVERCOME THE HIERARCHY'S BARRIER TO VOICING GRIEVANCES AND CONCERNS TO HIGHER MANAGEMENT.”

In Pursuit Of High Performance

Dr. Michael Beer (Cahners-Rabb Professor of Business Administration, Emeritus, Harvard Business School) reveals how to achieve sustained high performance and earn high levels of commitment from stakeholders



■ Enhancing Business Performance

A career dedicated to understanding and improving the way businesses enhance performance while building capability and commitment, and the Cahners-Rabb Professor of Business Administration, Emeritus at Harvard Business School, Dr. Michael Beer packs 4 decades worth of insights into this exclusive interview with *The Human Factor*. Dr. Beer is also Chairman and co-founder of TruePoint, a research based consultancy, and has consulted with dozens of Fortune 500 companies, like Hewlett Packard, IBM, Merck, Honeywell, Agilent Technologies, etc. He has served on the editorial board of numerous professional journals, the board of governors of the Academy of Management and the board of directors of GTECH Corporation. He has authored various articles and books, among which 'Managing Human Assets' and 'The Critical Path to Corporate Renewal' received the Johnson, Smith &

Knisely award for the best book in executive leadership in 1990. He is renowned in several business disciplines - including management, organisational design, strategic HR, organisational psychology and organisational development. Read on to find out more about this guru.

Q. How did you get to where you are today? What lies next in store for Michael Beer?

A. I have devoted my 40-year career to understanding and improving the way businesses enhance performance while building capability and commitment. This was what I researched as a graduate student, put into practice at Corning Inc., taught as a professor at Harvard Business School and continue

value-driven system from bureaucratic patterns of management. Companies such as Hewlett Packard, Southwest Airlines and Johnson & Johnson were “born right”. They were shaped by the vision and values of their founders. On the other hand, companies such as ASDA, Becton Dickinson, IBM, General Electric and Campbell Soup successfully transformed by breaking down organisational and managerial barriers through the guidance of leaders who made the conscious choice to choose a high commitment approach to management.

Q. What are the greatest people management lessons for you in the cross-cultural context?

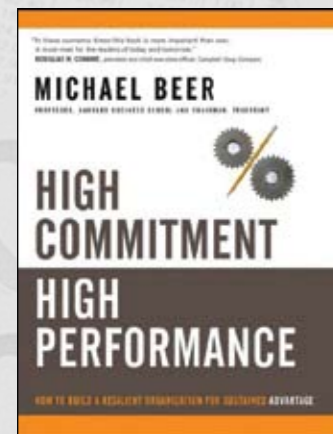
A. For leaders in any company, country

a purpose-driven community.

Q. How can HR ably manage the four generations of employees across workplaces today?

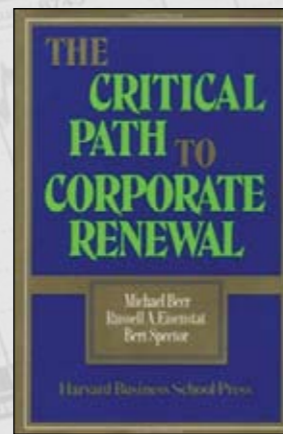
A. Commitment and trust cannot develop unless employees are given a voice. This means HR must support the development of extensive mechanisms that enable all employees to overcome the hierarchy’s barrier to voicing grievances and concerns to higher management. Employee voice will enable continuous improvement in the quality of leadership and management. Senior HR leaders will learn exactly what each generation needs and be able to respond.

Additionally, senior leaders - including HR leaders - must break the silence



High Commitment, High Performance: How To Build A Resilient Organisation for Sustained Advantage

Provides HR professionals with an understanding of the practices required to enhance organisational effectiveness and employee commitment



The Critical Path to Corporate Renewal

The global leader’s handbook for revitalising the corporation; it describes the strategies that will work and will not work during the process of corporate renewal

to apply at TruePoint, a firm I founded that partners with leaders to transform their companies into high performing, people-centric businesses.

Q. You have redefined business practices of some of the largest corporations in the world. Please share your experiences there.

A. I teach companies that to achieve sustained high performance, earning high levels of commitment from stakeholders - from employees to customers to investors - is equally important as the pursuit of profit. The work that has really stood out is in those companies that transformed into this type of

or industry to get the buy-in of employees that is essential to transform into a resilient, high-performing organisation, they must build a community of purpose. Change can only happen if everyone is committed to it and believes it is the only way to achieve sustained advantage in this new era of business.

The key to securing this across-the-board commitment of employees at every level lies in building a common vision for the firm by making courageous and principled choices about purpose, values and strategy and how people will be led and managed. Doing so will allow leaders to go against conventional wisdom in critical business decisions and build

at the top. They must come out from behind closed doors and lead honest conversations that engage all employees in every generation. As a result, employees will understand why their needs are not always being met immediately and trust that management is doing its best to meet them as soon as possible.

Q. How has the HR function changed during your career, considering that you have been a pioneer in this regard?

A. HR policies and practices of the most progressive, resilient and high-performing companies bear remarkable similarities. This is because their management

is always positive and optimistic about employees. They assume people are capable of learning, motivated intrinsically, want to contribute and make a difference, and prefer not to be controlled through monitoring and incentives.

As a result, the best companies hire for the long-term - even for life. They insist on hiring talented people who fit the values and principles that underlie their culture, so they select on the basis of attitudes, values and potential to grow and develop. Then, they invest in various policies and practices that socialise people to fit the culture and develop employees’ skills to the greatest possible extent. Finally, they motivate through intrinsic rewards and recognise high performance through extrinsic rewards (*promotion and money*).

Q. What projects are you primarily working on at present?

A. I just published my tenth book, ‘High Commitment, High Performance: How To Build A Resilient Organisation for Sustained Advantage’ (*Jossey-Bass, August 2009*), which provides a vision of how managers at all levels can transform, manage and lead sustained, high-performing firms.

Q. What myths would you like to clarify about the fields of HR and corporate leadership?

A. One myth is that shareholders are the only constituents companies must serve. Employees, customers, community and society must be considered in all decisions.

Another myth is that companies can change how they are managed and organised overnight. Organisations are complex, multidimensional systems, and unless all facets of an organisation fit together, it will not be able to create sustained high performance. Culture is the hardest facet to change because it involves changing people’s minds, hearts and skills. Therefore, transformation is a multiyear effort.

Third, companies should not have to choose between people and profits. Effective organisations give equal promi-

nence to profits and non-financial goals like teamwork. They, therefore, achieve the individual strive needed for innovation and teamwork that enhances firm efficiency.

Finally, the cost of hiring and developing people and the costs of developing organisational capabilities such as coordination, commitment and competence should not be thought of as budgeted expenses. Rather, they are front-end investments that will yield a stream of benefits over time.

Q. What are the key skills CEOs need to be equipped with to thrive past the slowdown?

A. The recent economic breakdown demonstrates that leaders can no longer think in the short-term. To sustain success and be resilient enough to survive and thrive the ups and downs of today’s markets, leaders must transform their companies. In fact, leadership by the CEO is without question the key factor in successful transformation.

CEOs who do this well require a number of skills. They are the antithesis of the heroic leaders. Single-handed and single-minded leaders do not engage employees, key executives and other stakeholders in the type of collaborative process required to develop strategic and psychological alignment or the capacity for learning and change that are imperative for sustained commitment and performance.

Instead, CEOs must be self-aware. They must be open about their beliefs, motives, values and emotions; receive feedback humbly; be ready to have conversations that matter and engage the tensions and conflicts those conversations produce, and have the interpersonal skills to develop a partnership with employees and other stakeholders.

Q. Going forward, what is next for HR in developing economies?

A. We need more healthy global firms

that refuse to choose between people and profits if we are to avoid future economic and social costs of the kind we observe today. As CEOs lead their companies through transformation, HR can play a major role in helping leadership teams at the corporate, business, and operating unit levels define a clear strategic direction, values and priorities. Working as skilled consultants, HR should help senior teams engage their own employees in a collective learning process about organisational strengths and barriers. They can then help these senior teams diagnose the state of their organisation and plan changes in organisation design and management practices, including, change in the role and efficacy of the senior team itself. This constitutes a shift in the role of HR from an administrative and service function to a strategic partner. It requires that HR professionals have a broad understand-

ing of the practices required to enhance organisational effectiveness and employee commitment, which is the subject of my latest book as well.

CULTURE IS ALWAYS THE HARDEST FACET TO CHANGE because it involves changing people’s minds, hearts and skills

Q. What do you enjoy most about the arenas of teaching, consulting and writing?

A. I enjoy all three and find that each enhances the other. My consulting has led to the development of teaching cases and to insights I can share in the classroom. Writing allows me to develop insights I obtain in consulting and teaching into powerful ideas and concepts that contribute to knowledge.

Q. How do you spend free time?

A. In my free time, I enjoy family, reading, swimming and golf. My family and I enjoy summers on the coast of southern Maine where I also find I can write without interruption. We typically travel to Florida in the latter half of March and early April to cut the winter short. When we return, spring has come to the Boston area where we live.