

People, many organizations claim, are our greatest asset. I use the word 'claim' because I doubt that majority of people in organizations will agree that they are in truth the greatest asset. Consider what you'd do if you had a beautiful diamond or a similar treasure. Most likely, you'd store it in a safe place and regular check that it's still there. You'd arrange extra security, insure the item, be as mute as possible about your possession and very importantly, you'd be able to attach a monetary value to it. The question is: How many organizations give their employees this kind of treatment?

As companies execute their strategies, they can sometimes downplay or even neglect the impact of the people who will be serving the customers – the employees. Dennis McCarthy statement is apt: *"If you want your employees to put forth the discretionary effort that ensures customer loyalty, you need to focus as much on your employees as you do on your customers"*

Yet people remain central to the success of strategy. Don Soderquist, the retired Vice Chairman and Chief Operating Officer of Wal-Mart put it this way: *"Systems, strategies and infrastructure are all extremely important. But people make things happen! As much as any other company that I am aware of, large or small, Wal-Mart has most closely resembled a true family. Yes, we are diverse, with many different people...but we have always worked together to make the company successful and be true to the vision that we share"*

The link between strategy, people and performance is often broken because the people who generate the performance are not viewed from a strategic perspective. This leads us to another question: Who are people?

We have derived an acronym from the word 'people' that expresses a strategic meaning of who people are (or should be) to their employers. This strategic acronym for P.E.O.P.L.E. is:

Persons
Engaged by
Organisations to
Perform
Like
Entrepreneurs

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This acronym enables us see what we have labeled *The P.E.O.P.L.E Side of Strategy*. Let us consider each element of P.E.O.P.L.E.

PERSONS Engaged by Organisations to Perform Like Entrepreneurs

Persons have personalities and strategic organizations recognize this fact. As companies entered the era of the knowledge worker, the approach of treating employees like factory hands has become increasingly irrelevant. Peter Drucker in writing about the attributes of effective executives states: *"Effective executives know that they have to start with what a man can do rather than what the job requires. This means that they do their thinking about people long before the decision on filling a job has to be made, and independently of it"* This implies that

individual capacity is the first consideration and not the requirements of the job. Recruitment processes that do it any other way end up filling a vacancy or hiring a ‘worker’ instead of a person of ability.

Personality profiling has become more popular over the years but not many organizations use them to enhance the value of individuals. The central thought should be that individuals constitute teams and not the other way round. Only well-integrated persons can form productive teams and only individuals whose capacities are recognized and utilized can function effectively in teams.

Today’s forward-thinking organizations understand the difference between knowledge, skills and talent. Knowledge is either factual or experiential. Skills are the nuts and bolts of a job, the ‘how to’ aspect, which comes with training. Talent resides in every one – it is the natural predisposition that makes each person particularly effective. It is when talent is applied to the right role that superior performance is generated.

It is the utilization of an individual’s best attributes that enables the mental shift from the “I” level of contribution to the “we” level and finally to the “others” level. Strategic organizations therefore blend the personal best into the team best to get the best team results.

Strategic organizations recognize individuality and integrate it with corporate objectives to bring out the best in people.

Persons ENGAGED by Organisations to Perform Like Entrepreneurs

Let’s begin with five key statements:

1. Employment is not the same as engagement
2. Employment is passive, engagement is active
3. Passive employees are destructive
4. Active employees are productive
5. Activity does not connote productivity

Employment is not the same as engagement because everybody who has a job is employed. Economists refer to “under-employment” which implies that people are employed but operating well below their natural or learned capacities. Employment includes the bored security guard who stands at the gate to open and close it and do nothing more. In fact, employment can sometime become mindless activity that’s focused on the routine.

Engagement is active and it propels the individual to the place of work knowing life gets an extra dimension through productivity.

Passive employees operate like a cancer which a cancer patient never knew was there but was all along gradually destroying the body cells. These are the people who at best do not participate in corporate change efforts or worse sabotage them. They are the cynics that poison the hearts of others by their foul speech. Somebody once described them as “darksiders” because they always see the dark side of things.

Active employees on the other hand advertise the company at every opportunity. They are quiet talent recruiters because their passion creates a desire in others to join the team. They alch unto change programmes positively and get other people on board. They see the big picture even if you give them a small camera. When the executives think of who is on board, their names come up first. When projects need to be implemented with speed and precision, they can be counted up. Note that the active

employees are not necessarily the most talented. In fact, some of the most talented can be passive if they get disgruntled through lack of expression. Organisations should seek to multiply active employees at all levels.

For strategy to be effective, organisations must cultivate engaged (active) employees

Persons Engaged by ORGANISATIONS to Perform Like Entrepreneurs

It is organisations (not employees) that *initiate* employment contracts. They are the ones who seek to fill vacancies before individuals can be hired. In order to have genuine productivity, a real vacancy must be filled. A real vacancy means ‘a position for somebody to produce something’. Strategic organizations should constantly measure productivity i.e. what are people producing in relation to what they have been given or in relation to what is expected of them.

Productivity is the responsibility of the employee to deliver but the responsibility of the organization to extract. One way to think about it is to consider a fruit and the juice it contains. A fruit on its own (no matter how juicy it might be) does not pour out juice. There has to be a process from extracting the juice from it. Employees are like fruits – organizations must have processes for extracting their juices!

It is the duty of organisations to engage people productively and extract performance from them

Persons Engaged by Organisations to PERFORM Like Entrepreneurs

The word “perform” means: *to carry out an action; to present a play or concert; to fulfil*. Notice that all these meanings imply action of some sort. To perform can never be associated with not doing and that’s why performance only gets qualified – good, excellent, poor, etc

To perform is not just a matter of showing up. Showing up is what everybody can and ought to do. In fact most employees very often show up. Showing up becomes like a religious obligation rather than a productive activity. Still, performance is defined by results not activities or efforts; by movement not motion. One of my group heads in the course of my career, used to say to me ‘I don’t want efforts, I want results’. This statement reflects the mindset at all levels of corporate accountability – shareholder, board, executive, department, unit and individual.

The importance of results makes a good performance measurement a core prerequisite for employee engagement. It is only by measuring performance that results are measured especially if the expectations are clearly defined at the onset. It follows that strategic results cannot be delivered (or expected) without strategic people or employees without a strategic mindset. Whatever the corporate focus is should reverberate across the organization such that every employee is performing and delivering results.

People cannot perform, think or act strategically without strategic measures and without clear performance expectations

Persons Engaged by Organisations to Perform LIKE Entrepreneurs

The word “like” means: *resembling, in the manner of similar to or characteristic of*. The suggestion is that employees are not entrepreneurs but should act as if they are.

Individuals on the payroll should be running their own mini businesses within their organizations. In other words, being an employee should be a training platform for a future business owner or a future owner of the business in which the employee works. The action of employees who act like entrepreneurs should be partly driven by companies through appropriate schemes.

One of the world's biggest and best companies is Wal-Mart. We can learn from this company what it means for employees to act like entrepreneurs. The following facts about Wal-Mart's benefits and employment structure are instructive:

- Wal-Mart promotes from within. 76% of Wal-Mart store management team started in hourly positions within the organization.
- More than half of Wal-Mart's associates (they are not called employees) own company stock through an associate purchase plan.
- Benefits also include profit sharing, merchandise discounts and company-paid life insurance.
- Healthcare insurance is available to full and part-time associates with no lifetime maximum.

These are not direct financial benefits but they would motivate people to be loyal and deepen their sense of belonging. Employees become LIKE entrepreneurs even if they do not own the business in a direct financial sense. Rewards and measures should reflect ownership and not just employment.

Intrapreneurship is a coined word that reflects the display of entrepreneurial behaviours by employees within a corporate setting. This kind of mindset generates an ownership mentality and raises commitment to the business. Corporate leaders also need to recognize that people cannot act or think like entrepreneurs if they are frequently treated like children instead of intelligent adults.

Strategy revolves around several 'owners' who work within the organization.

Persons Engaged by Organisations to Perform Like ENTREPRENEURS

What do entrepreneurs do and what attributes do they display?

Entrepreneurs take business seriously and actively seek the success of the business. Entrepreneurs are builders not destroyers. Entrepreneurs do not go job hunting. They are also concerned about the outcomes of their daily actions and they are constantly seeking positive outcomes for the business. They are involved in marketing and sales, product and service delivery, customer care, asset protection, etc.

Entrepreneurs do not operate in silos because they are looking out for the overall good of the organization. Everything is of concern to them! Employees with the entrepreneurial approach live, eat, drink, sleep the company and its products or services. I have a friend who once worked for a reputable soft drinks company. During that time, whenever he visited people he would object to being served any soft drink other than the one produced by his company. He truly lived the brand and that's the attitude companies should be looking for in their people.

Employee retention and a strategic pipeline of leaders requires developing entrepreneurs within the organization.