

Katzenbach Center Friends,

Below please find several questions that I did not have time to address during the Live Chat on September 14. I have done my best to answer these questions in this document – I hope you find the responses helpful.

Thank you again to all those who participated. Your questions were great and quite thought-provoking.

Regards,  
Jon Katzenbach  
The **Katzenbach Center** at Booz & Company

## Questions & Answers

### Q1: Do you have any suggestions for managing Gen Y employees through this period?

A: Understanding and properly managing Gen Y is of critical importance, as the group is expected to be the largest cohort in the workforce by 2014. This cohort has grown up with some unique influences (e.g., ubiquitous social media, computer-altered attention spans) and perspectives (e.g., a distinct social consciousness, a global mindset) that have guided their values and motivations.

Nevertheless, Gen Y employees, like all employees, are best motivated when they feel pride in their work. Tap into what motivates these people and figure out how to best connect their everyday work with these motivations. This will improve your ability to manage them successfully.

Motivations can be very personal, but as a whole, keying in on some general themes from this group can be helpful. In this vein, employees from Gen Y generally expect a nonlinear career path. They value a flexible work environment that understands that familial and community desires are equally as important as employment ones. They also see great value in both monetary and nonmonetary rewards. By leveraging these and other more personal motivations of Gen Y employees, managers can better expect to receive improved performance from these individuals.

### Q2: How do we encourage senior managers to be more creative as they develop their strategies?

A: One approach is to get senior managers to better connect with their informal networks, which are often cross-disciplinary and cross-functional. These networks also constitute a way to obtain valuable perspectives from people they don't normally interact with. By better utilizing their networks, they can see problems from different perspectives and identify options that they may not have thought of otherwise.

More Questions and Answers continued on the next page

**Q3: In these recessionary times, it would make sense to invest in developing all resources, and especially teams. However, companies are holding back from making an investment in team development. Do you see the market changing toward more training and coaching and developing teams? Is there a difference in the ways this is happening in the US vs. Europe or Asia?**

A: Teaming in an efficient and effective manner is something that has struck a chord in these recessionary times. Organizations all around the world are understanding the need for teams and the need to ensure that they act appropriately and produce the results that are desired.

A significant part of the challenge is cultural. The recession has caused many companies to increase their emphasis on individual accountability and cost control. Cultures that are overly focused on individual accountability inadvertently inhibit real team performance, which depends on mutual accountability among all members of the team.

As a result, it is very important for those who need and want more real team capability to pay serious attention to more than just training and coaching. Other cross-organizational elements of the culture need to be activated to counterbalance the overemphasis on individual accountability that the recession has spawned.

**Q4: What is the best way to identify the correct values for a company and how to communicate and introduce them in the culture?**

A: A great approach for helping to identify values for an organization is to collect ideas on what the values should be in a bottom-up manner. By getting the pulse of an organization through all layers and levels, it becomes clear what employees feel is important and what they feel should guide their collective actions. By combining these insights with a few guiding principals that senior managers want to impart, a strong and comprehensive set of meaningful values can be developed. The act of involving the company in the process of developing these values helps ensure that they will be well received when they are officially introduced.

In this context, it is important to pay attention to peer-to-peer interactions. Unless those are fully supportive of the values, they will exert a negative influence on value-based behavior. What happens informally across the organization matters at least as much as what is communicated up and down through the hierarchy and through formal programs.

It is critical that the values developed be truly meaningful, as this will help move an organization toward being what we like to call “values driven”—where the values become a “north star” for decision making. In these organizations, the values are shared and promoted not just through formal means but by people who act consistently and communicate constantly, simultaneously “walking the talk” and “talking the walk.” The more meaningful the values, the more likely this is to occur.

The “values-driven” organization stands in marked contrast to the “values-displayed” organization, where values are nicely displayed in company promotional material but do not actually guide the company and its actions.

**Q5: Have you seen methods other than questionnaires work to create informal organizational maps?**

A: In addition to questionnaires, it is possible to use carefully guided in-depth interviewing techniques. But in most cases, in particular for larger organization, a survey and a good network mapping software are key. These tools are then often supplemented by interviews.

## Q6: How can we inspire diverse groups to collaborate more?

A: Collaboration can often be improved by mobilizing networks and communities among diverse groups. By leveraging these informal peer-to-peer linkages, group members begin to see new possibilities for collaboration.

It also helps to develop a clear sense of when and where increased collaboration will deliver improved performance. Just increasing collaboration generally is neither as easy nor as impactful as targeting the critical few places where it matters most.

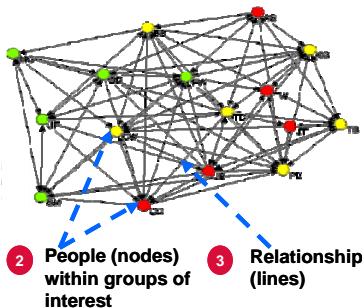
## Q7: What is a network map? Something like a diagram showing the informal relationships? Where can I see an example?

A: A network map depicts the connections between people. In this way it can be used to “map” certain informal relationships. Once completed, a network map would resemble a diagram like that below. The key is in interpreting this data in an actionable way—referred to as Organizational Network Analysis (ONA).

The purpose of ONA is to uncover issues and disconnects within organization as well as unexpected hubs of trust and information to inform process and organizational redesign. ONA provides quantifiable and objective data about informal elements of a company that enable greater precision and focus for leadership actions. We use ONA for a variety of purposes, such as:

- Improving effectiveness of functions/business units
- Realizing revenue growth opportunities
- Promoting process execution and lateral coordination throughout an organization
- Driving product/process innovation/new offerings
- Facilitating large-scale change/merger integration
- Replicating high-performer networks and improving leadership effectiveness.

### 1 Information-sharing network



**Q8: When going from a top-down, authoritative structure to a team-based structure, how do you help members begin to think for themselves and participate without being afraid?**

A: This is a difficult process that doesn't happen overnight and doesn't happen without a lot of support and training.

Moving from a "single leader unit" team approach (i.e., a team with a fairly hierarchical structure and with a single leader, mainly designed to solve problems and deliver results quickly) toward team structures that I call a "real team" (i.e., teams that are creative, where everybody contributes, and where leadership positions are shifted or rotated) is a thorny road. It is not enough to just describe the new teaming approach to your staff. You need to train staff (juniors and seniors) on how to operate in this new team environment. The new behavior needs to be experienced, learned, and practiced.

Please also note that there is no "good and bad" in these different teaming options. Each team structure has its time and place. The key is to develop a true teaming capability in an organization—one where leaders understand when to use which team approach, and where staff are comfortable, willing, and able to shift teaming styles.

**Q9: Our leaders are always encouraging us to come up with new cost-reduction opportunities, but we seem to be all tapped out. Can you give us a new way to think about cost reduction that might ignite some new thinking? Can you give us a couple of questions we should be asking to elicit those cost-reduction opportunity ideas?**

A: This is a challenge many organizations face. A constant pressure to cut costs can be difficult to deliver on. One approach that can be helpful is to look at the exercise in a different light.

Think in a broader sense about what your company is trying to achieve to help grow its business (e.g., improved customer service) and find ways to do that more efficiently while using a cross-functional perspective. When approached in this way, new opportunities tend to be uncovered.

I would also encourage you to help one another (in a peer-to-peer way) see and probe the cost challenge in a broader context. For example, view the cost-cutting challenge not just as an annual exercise but also as an opportunity to identify where to invest wisely to generate lower cost capability down the road.

There are a few interesting articles on our webpage on this topic:

[http://www.booz.com/global/home/what\\_we\\_think/katzenbach\\_center](http://www.booz.com/global/home/what_we_think/katzenbach_center). For example, check out the article called "How to cut cost and get your employees to help."

**Q10: How do we build and instill pride in our organization when business performance is dismal? Do we look to past glories? Do we emphasize future possibilities? Do we look for quick wins and leverage these?**

A: Poor business performance can be a challenge to instilling pride. However, it is important for leaders to nonetheless create a rallying cry that can serve to motivate and encourage employees while focusing performance improvement efforts. This can be done by tapping into the emotional side of the employee base and understanding what motivates them.

Leveraging this insight can help create the right messages that will resonate emotionally and be inspirational for achieving future success. Then it can be very useful to leverage quick wins and incremental improvements that show progress in the greater journey.

In addition, recognize that there are individuals in your organization who are already “master motivators.” The people who work directly for them are “shielded” from the problems outside their working arena, and they are focused on “feeling good about the work itself,” regardless of broader problems. In that way, they can connect emotionally as well as rationally to the work tasks.

We find these individuals in every situation from bankruptcy to turnarounds and major marketplace disruptions. They find ways to keep people focused on what’s good about their daily work. You can learn much for these individuals—we call them “pride-builders.”

There are a few articles on our webpage related to this topic:

[http://www.booz.com/global/home/what\\_we\\_think/katzenbach\\_center](http://www.booz.com/global/home/what_we_think/katzenbach_center). Take a look at “Energizing employees in recessionary times—try motivating, not mandating.”

**Q11: Jon, I have been aware of your excellent work for many years. Have you ever worked with higher education institutions? Many of them are going through major changes as resources become scarce, as competition intensifies, and as questions are asked about the relevancy of traditional educational models. What are your thoughts about helping higher education to maintain its global position of preeminence?**

A: I have not consulted directly with higher education institutions—but I have been involved on a volunteer basis. I think the motivational challenges are similar. In some ways, they have more natural “sources of pride” to tap into, and I continue to believe that this is more important than monetary or formal promotions.

**Q12: Jon, thank you for this opportunity. I am most interested in understanding more about the potential impact of leadership on the team. For example, the importance of “team coaching” as compared with coaching one-on-one. It appears that leaders rarely provide ongoing coaching to the entire team. Is this an opportunity?**

A: Yes—there is clearly an opportunity for what you call team coaching. However, I prefer to think of it as much more than coaching. It is the opportunity to build “team performance capability” by focusing the team on different types of teaming challenges that are real (not exercises or simulations).

This is a capability that requires a recognition of the different options (e.g., real team, single-leader unit, working group), and a trial-and-error willingness to try (more than once) a different approach. You need to practice new behaviors on actual business problems.

## Q13: Could you explain how to define metrics to build pride and high performance?

A: To be most effective at instilling pride and creating high performance, metrics must measure what matters to the business while also being meaningful to employees. For example, in *Leading Outside the Lines*, we tell the story of how the leadership at StockPot (a division of Campbell Soup Company) revised a production metric they were using for just this reason. They changed a “pounds per labor hour” metric to “pounds per day,” as this was more meaningful to employees. It also encouraged all shifts to work together to maximize production.

Pride-builders (master motivators) are great at doing this. They invariably create their own metrics that are consistent with the business priorities but that focus on specific aspects of what their people will feel good about—not only at destination points, but during the journey as well.

## Q14: Are there things that managers may unknowingly do that discourage high performance in teams?

A: A critical item that tends to reduce the performance of teams is the lack of proper team leadership. For a team to be most effective, team leadership must shift among team participants as the topic being handled by the team changes. In this way, a collective team dynamic is produced, and the team becomes collectively accountable.

Another aspect that helps improve team performance is having a clear and measurable goal that all can focus on achieving. Without this, a team is also unlikely to achieve high performance. Last but not least, managers often unknowingly fail to involve new members to the team in the same way that produced common levels of commitment among the original members.

## Q15: If the leaders in a company are not pride builders, who else can be (and how)?

A: We have found that in every organization you find “natural-born pride builders.” These are people who intrinsically understand how to motivate people by connecting their work to what matters to them. This gift can be found anywhere in the organization: in senior leaders, in junior staff, in the front- or back-office.

The amazing thing is that we have found that the ability to instill pride in people is teachable. Not all people may be equally inclined to learn how to build pride, but there are always some who are not doing it but can learn the technique. This is the beauty of this approach: you can identify your pride builders, understand what they do, and spread that behavior. This is a great way to improve motivation in your organization.

## Q16: What can we learn from observing communication behaviors in a team as a predictor for team performance?

A: Look for signs of genuine respect for different viewpoints and capabilities. Also look for a willingness to work with conflicting points of view to “get the best of both” rather than winning the argument.

**Q17: For continuous and sustainable organizational development, any employee can act as a student of some other senior colleague, as a producer as per his job description, and as a teacher of some other junior colleagues. This sounds ideal, but how can we find a way to implement this when most people tend to be only the producer? How can the motivation be shaped in these three levers?**

A: This very much comes down to what the organization expects and rewards. As you may know, Katzenbach Partners recently merged with Booz & Company. I have found Booz to be a very interesting example of what you are describing.

At Booz, there is a really strong expectation of every individual—from most junior to most senior—to do all three: to get work done (be a producer), to be mentored and developed (be a student), and to mentor and develop others (be a teacher.) In fact, at Booz, you can not get promoted if you do not exhibit excellence in all three dimensions. And there are lots of training classes devoted to how to be a good mentor.

The key is to provide the right incentives, the right support (e.g., training), and to anchor these behaviors in the value set of the organization. It is also important to encourage and ensure that peer-to-peer interactions support and circulate success stories in all three arenas.

**Q18: My company is very procedure/process orientated. We change process, but we don't address behaviors. We get more done working outside the formal processes, but our management doesn't want to admit this. How do we get our senior managers to recognize and value the informal networks?**

A: This is a very interesting question. And one that has several dimensions to it. First, changing process but not addressing behavior is not a good idea. Every formal process needs to be carried, supported, and lived by the people connected to that process. If you only change the process but you do not address the human change that has to come with it, your new process will only exist on paper. We see this all the time in organizations that address the formal elements but don't think sufficiently about the change and its culture implications.

Second, there is no "good and bad" in formal and informal. So, the fact alone that informal networks at your organization accomplish a lot is not a problem. It does become a problem when the informal works against the formal—because then you lose efficiency. The key is to have the formal and the informal "jump together," reinforce each other, and balance each other. If you feel that visualizing the informal would help your organization visualize the realities, you may want to consider using Organizational Network Analysis.

**Q19: Firms are currently hiring skilled people who may have spent many years at other firms and other industries. This stands opposed to past hiring practices of getting a generation of fresh graduates and molding them to the individual culture. In light of this new reality, how does a firm ensure that there is a suitable assimilation of, and alignment to, the firm's culture and values in this heterogeneous group?**

A: Yes, in today's business world, we experience a higher degree of diversity than maybe ever before: many different ethnicities are working closely together, different generational segments are working side by side in the workplace (Gen Y, Gen X, Baby Boomers), women have conquered the workplace, and so forth. We also see very different ways of working together. For example, we have virtual working relationships, global teaming, and other new permutations. All of these factors seem to interfere with the development of a homogeneous, strong, enduring culture.

But reality seems to prove us wrong. Looking at high-performance organizations today, young ones or old ones, they are able to preserve a "common denominator"—an organization wide shared mindset and belief. But what we also see more and more are unique subcultures that form within the same organization.

My colleagues at the Katzenbach Center and I have done some extensive work on the topic of organizational culture that we will publish in the next few months. This research has shown that organizational culture is as important as ever—it can make or break your organization. We believe that culture is a powerful source of strength for the organization that is often underestimated. Please stay tuned for more on this topic from the Katzenbach Center at Booz & Company.

**Q20: With respect to when to team and when not to—what is your opinion about a project where you want a very innovative, outside-the-box, creative solution? In my experience it seems that teams groupthink those types of things out in the interests of preserving the organizational culture.**

A: There are two important dimensions to this challenge. It is definitely true that a "real team" is best if you seek innovative, creative solutions. It is also true that "groupthink" is not the best way to get there.

Fortunately, the real team discipline does not encourage groupthink; rather, it encourages selective interaction among the teams—and recognizes when individual or subgroup ideas are needed. The big advantage of a real team is that it never tries to team in the same way all the time—and it doesn't team at all when individual contributions are needed. Real teams make conscious decisions about when and how to team—and when and how not to team.

**Q21: How do you deal with concerns of teams that the system will strike back after the team has reached its goals and individuals have moved back into line positions (out of sight of top management)?**

A: After a team completes an assignment and implements a new process or other type of change, there is always a fear that without the team in place, things will snap back to the way they were. And, truth to be told, that happens more often than one would hope.

Typically, the problem is that the product of the team assignment is not truly embedded in the organization yet. The change has happened formally but has not happened in the heads and hearts of the people touched by it. The behavior change that is required to make any change stick is often underestimated.

I believe that team assignments are often declared “done” too early—before the implementation is far enough along that the organization has taken on and embraced the change sufficiently to “take over” from the team. Sometimes it is helpful to think about this as analogues to the “baton pass” in a relay race. You need to allow a long enough “baton pass” overlap.

**Q22: If the leaders group is failing to disseminate the company values to the whole organization, is there a way to effectively pull in the midlevel management team and utilize them as transparent filters for establishing the company values all around? Can this be done better via informal networks?**

A: It can certainly be materially aided by informal networks. This is also where finding ways to get peer-to-peer spreading of “true stories” that highlight value-based behaviors—and also illustrate “bad behaviors”—can be useful. Circulation of stories by credible storytellers is the best way to disseminate value behavior lessons.

**Q23: Having mapped the informal networks, what interventions have you found effective in stimulating the informal organization?**

A: The right intervention is very dependent on the organization and the challenge at hand. As such, interventions can take on many forms—from involving “brokers” in designing, facilitating, and communicating changes throughout an organization to developing mentor/mentee pairings of key individuals with others less connected through a network but vital for success.

Having said that, leveraging exemplar actors in some form as part of a broader intervention strategy is a method that can generally be used. Exemplars are those individuals that exhibit a particular behavior trait that is regarded as desirable. Once these people are identified in the network, we can learn what it is they are doing so well and how they are doing it. We can then leverage these people and their now documented behaviors and find ways to better connect them through their networks and, possibly, even embed them in new networks to help spread these behaviors. In this way, positive/desired behaviors are spread “virally” through an organization.

## Q24: How can we do more to leverage the creativity of our people?

Well, there are certainly many ways to help foster creativity using both formal and informal methods. Approaches can certainly vary and can include things such as developing workshops to encourage creativity, seeding networks with noted creative individuals, implementing “free” time where employees can work on “pet” projects, and so on. However, one often overlooked angle for increasing creativity has to do with the way a company teams.

One thing that we notice often is that companies tend to gravitate to one type of teaming approach as opposed to using a variety of approaches depending on the situation. Creativity can often suffer when a company gets in the habit of only using “single-leader unit” teams that are hierarchical and operate with one leader who makes decisions. These types of team can be useful when decision making must occur very quickly, but they are less adept at fostering the brainstorming and “openness” that generate creativity.

Instead, companies should look to use a “real team” approach when tackling problems requiring a creative touch. Real teams involve having a rotating leadership structure and collaborative contributions. These types of teams are far less hierarchical than the single-leader unit version and tend to promote creativity.

It is also important to recognize the influence a company’s culture can have on their teaming approach. Some cultures encourage and facilitate disciplined teaming (for example, both the USMC and the Navy Seals are excellent examples of integrating disciplined team performance), whereas many consulting organizations encourage single-leader units.

## Q25: What can be done when the informal organization is perceived as threatening to the formal organization, especially among the leadership ranks?

A: Seeing as many leaders are far more familiar with formal approaches (those are the ones typically taught in most business schools), they tend to overlook or subordinate the informal. If and when the informal counteracts the leadership’s well-understood formal approaches, a threat can be perceived.

When the informal feels threatening to leaders, it usually means that it is working “against” the formal. In other words, the informal has not been influenced or mobilized to successfully buy in to formal approaches. Imagine a simplified example—a new expense policy has just been enacted by a CFO. A month after the change, the water cooler chatter among various networks has grown and is quite negative on the subject. This type of negative and opposing dialogue can have unintended impact on the success of this new policy. Such threats from the informal are certainly magnified when the change is much larger and strategically critical.

Leaders must understand that the informal will not simply “fall into line” on its own. As we like to say—the informal is either working for you or against you. For leaders to reduce the threatening nature of the informal, they must actively balance formal initiatives with informal approaches. For informal approaches to be successful, they have to be supported at multiple levels in an organization—including those in senior leadership positions. Influencing the informal cannot be left to chance or set as the purview of lower-level management simply due to fear.

**Q26: If the culture is very hierarchical, how do you plant the seeds for developing, for example, a feedback culture?**

A: Creating a feedback culture would generally entail two parts: (1) creating a feedback process and (2) then instilling the feedback ethos into the more broad behaviors and culture of an organization.

On the process side, a 360-degree feedback methodology could be quite useful. In this approach, a third-party actor (not an employee's direct boss) collects feedback from a variety of sources (subordinates, peers, and seniors) on an employee's performance over a given period of time. The feedback is aggregated and presented to the employee. The process provides a more objective and holistic source for feedback and can be a good starting point for those unfamiliar or uncomfortable with direct feedback.

Of course, this provides only a basis for a feedback culture. To really become entrenched, the feedback concept must become a "lived value" of the organization. Leaders must exemplify feedback behavior, and those who display the behavior must be held up as role models. More broadly, a set of interrelated and reinforcing formal and informal approaches need to be utilized to help ensure that the feedback ethos goes beyond the 360-degree formal process and truly becomes an ingrained value and set of behaviors found within the organization.

It is also important to recognize two things about the best feedback cultures: (1) they emphasize positives more than negatives, and (2) the effort is more focused on "feed-forward" than "feedback"—that is, how can I build on the strengths going forward rather than "what I did wrong."

**Q27: Do you feel that the same principles associated with identifying pride-builders are relevant to building a coaching culture?**

A: Some principles apply to both (e.g., they both focus on treating individuals differently), but the pride-builder capability is more focused on helping people "feel good" about what they do every day, whereas "coaching" is about individual improvement.

**Q28: Any tips on quickly spotting the "healthy" informal organization vs. the "unhealthy" informal organization?**

A: The water-cooler talk in the "healthy" informal is positive, upbeat, and energizing; in the "unhealthy," it is more negative, cynical, and critical.

**Q29: What are one or two top critical things that we need to be careful about not doing to informal organizations?**

A: A key thing to be wary of with an informal organization is thinking that it can be managed like a formal one. The informal can be mobilized, energized, and guided, but it cannot be formally managed or controlled. When you start treating the informal as you would the formal, you will lose the flexibility, spontaneity, and responsiveness that the informal provides.

For example, a company that tries to "manage" the informal may try to formalize a network by attaching constraints around it, providing it with a mission and goals, and dictating how and when it should meet. Although well intentioned, this practice will certainly not work well.

Another mistake that is often made is thinking that the informal is good and the formal is bad. Neither one is inherently good or bad—they are just different. What is important is to recognize the strengths and limitations of both and utilize them appropriately, in concert and in balance to impact an organization.