

PEOPLE ARE OUR MOST IMPORTANT RESOURCE... ...so why don't they believe me?

by **Denzil Griffiths** FAICD FCPA *

As the old adage has it, "...if I only had a dollar for every time..." How many times have we seen this platitude in company annual reports or in fancy prints on office walls, or heard it mouthed by chief executives and their senior managers?

That a glaring chasm exists between this often well-intentioned expression and the reality in Australian workplaces was clearly revealed by a study reported in *The Age* a couple of years back. It found that an astonishing 88% of Australian workers were not happy in their jobs, with most rating the boss as their number one problem.

It get's worse! Another, more recent, survey of employees across most industries showed that 28% of staff were "actively disengaged" from their organisation.

Professor John Croucher, the Professor of Statistics at Sydney's Macquarie University, reported in 2005 that only 40% of Australians have confidence in the organisation they work for, and only 42% had trust in the leader. A salutary message for all leaders!

As the Melbourne Business School commented in its 2005 Leadership Index Report: "If leadership starts at the top, then it is no wonder that there is not much of it in Australian organisations".

In 2007, the Financial Review reported on a survey carried out by human resources and recruitment firm, Talent2, which found that 58% of Australians believe their boss was ineffective in their job.

Something of a consistent pattern here, don't you think?

Are those in charge of our organisations so completely out of touch with what their employees are thinking and feeling – does the hubris often associated with being at the top blind them to reality?

Regrettably, the evidence suggests that the answer is an emphatic 'yes'.

Leaders should be role models – their staff certainly look to them, but they also look at them – what they say, what they do and how they behave.

By contrast, this is the reality of what staff all too often observe in their workplaces:

- Enormous, and increasingly unjustifiable, salary packages – in straight salary terms, as well as lotto winnings-like share and options deals - being paid to those in senior executive ranks while those below are often kept to CPI, or in some cases have their pay frozen.
- So-called 'performance' bonuses and termination payments, as well as salary increases, paid to executives when the performance in question is often destructive of shareholder value. By contrast, such payments made to staff, if at all, are miserly in comparative terms.
- At the first sign of the carefully and expensively developed corporate strategy not meeting expectations, the senior ranks rush to the only remedy all too many of them seem to know – staff redundancies. Yes, those staff sure were important!
- But, like the steak knives, there is more. Not only are there redundancies, but companies often don't get it right the first time and wave after wave of redundancies are inflicted on staff who

are expected to perform brilliantly and keep their morale at peak levels while all seems to be crashing down around them.

- Let's not forget what staff see about how those redundancies are handled by the company. Often they occur just before Christmas. Often they occur on a Friday afternoon when there is no support available to help deal with what is a serious crisis for those concerned. Professional help is not always provided anyway, leaving staff to fend as best they can. Those staff left behind certainly take all this in.
- Another very common reaction by executives to profit down-turns is to slash the staff training and development budget, a particularly effective way of signalling to staff their real worth to the company.
- Many chief executives lacking real leadership skills often adopt the latest management fad in an attempt to appear leader-like. These fads can make the CEO and the organisation look good for a while but staff are not fooled. They can easily recognise a fad dressed up as good management. They become understandably cynical when they see their leaders embrace the language, processes and technical trappings of the fad, but underneath don't change their attitudes and behaviours towards their staff.

Staff in your organisation could probably think of other examples that they have directly witnessed or experienced with you.

The doyen of leadership thinking and practice, Warren Bennis, once observed:

"If there is one generalisation we can make about leadership and change, it is this: no change can occur without willing and committed followers".

Many leaders forget that leadership is all about people – winning their respect, commitment and willingness to be led, to be those committed followers. Leadership requires relationships to be built with staff – relationships built on trust, openness, honesty and mutual respect.

Corporate leaders looking to inspire and retain "willing and committed followers" might reflect on the messages and signals they send to their staff, directly and indirectly, in all they say and do. At present, 88% of their staff are far from convinced that they are the company's most important resource.

There is demonstrably a huge gulf in trust between top management and the rest of the organisation. Filling this gulf must be a key task for transformational and lasting leaders.

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