

what is a **PEOPLE STRATEGY?**



by Jeff Hull

None of the typical jargon of the management consulting industry really works for us. We cannot call ourselves “business strategists,” at least not in the left-brained, analytical, process-driven sense that the Big Six and the McKinsey’s of the world use the term. And not being deeply attached to a particular psychological or academic theory, we feel uncomfortable with the label “organizational development” consultants. Many of our colleagues and friends are traditional “OD” types, but our common sense approach often strikes them as naive. Even “human resources” consulting doesn’t work, because what most people think of as “HR” feels too restrictive, too one-dimensional, with its focus on administrative tasks and processes often far from the heart of the business. No, these are all inadequate.

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Instead, we find ourselves offering up a new phrase which feels more appropriate to us: “people strategists.” Problem is, few people have ever heard such a name, and even fewer really know what we are talking about. Hence, we often fall back on a combination of the “known” jargon, above. Yet, “people strategy” really is a better and much more precise description of what we do. Surprisingly, the distinction we wish to make is quite simple: we want to get behind the “business strategy,” to dig underneath the “HR issues,” to dive below the “organization chart” and find out what’s really going on. To this end, it becomes crucial to focus, not on strategy, or HR, or structure, but on people. Real people.

It sounds so basic. Almost rudimentary. Yet, it is amazing how often business executives—and by default, their consultants—go about re-engineering, or strategizing, or re-structuring, or whatever, without paying more than passing attention to WHO is doing the work, WHO will be impacted, WHO is supposed to buy their decisions.

Most consultants view businesses in the abstract—as corporations, organizations, projects, processes, departments, hierarchies, teams. But these are all concepts, symbols which stand for something else. Do they really mean anything? Can you touch a hierarchy? Can you “see” an organization? Can you feel a department? Even a team—which you may actually get all in one room—as a tangible “thing”—is often a theoretical construct, an arbitrary label. Consider this: you walk down a hallway at some big corporation. You see two conference rooms. You glance into each and see a group of people talking. Are they teams? Is one and not the other? How could you know which is a team and which is not? You have to carry some rather abstract assumptions into those rooms, no? OR perhaps actually know the people involved!

On the other hand, what can we REALLY KNOW about a business? We can know

that all of the above are symbols for something that will always be comprised of people. And not just “people,” in the abstract, but INDIVIDUALS. Real people create real businesses. In fact, real people—that is, one individual at a time—are ALL that make up a business. Everything else is just a construct.

So here is why we want to introduce the term “people strategy” into the day-to-day business language: to remind everyone, including us, that before you can define a business strategy, you must have people. People come first—not just in the abstract, but in reality. Just try carrying out a business strategy without them. Even the smallest business—a sole proprietor—is a PERSON, who may have a business strategy, yet even this is made up of PERSON-AL vision, PERSON-AL decisions, PERSON-AL desires, and PERSON-AL hard work. No person: no business.

Now this may all begin to sound rather mundane, even obvious. Yet let’s look at three examples where paying attention to the people, to the INDIVIDUALS, in a business, might make all the difference in achieving superior performance. First, we’ll examine something that every business desperately needs more of—and often hires consultants to help foster: innovation.

Innovation is considered to be a key element in the continued success of both service and product based industries. To get ahead of the competition, a business must always be creating and developing new services, new products, new ways to entice the customer. Most consultants, and most business leaders for that matter, think of innovation as the practical result of a new idea. They expend a great deal of time, money and energy, studying the processes, the investment dollars, the cost structures and the organization structures of product/service development departments or “R & D” groups. They look to answer questions like: “how can we shorten the time to market for new products?” or “how can we ensure that our R & D investments pay off in the marketplace?”

These are good questions. It is helpful to look at how dollars are being spent and how long things take to manufacture and test. Yet, neither of these questions looks at what is really going on when so-called “innovation” happens: what about the “new idea” that was mentioned in passing above? Where does this “new idea” come from? New ideas are not “manufactured” nor can they be “structured” or correlated to investment.

New ideas come from individuals. They spring forth from a process we know more readily as “creativity.” Creativity is what goes on behind the “process” of innovation. Yet, creativity is not a concept like “innovation”; it is not just a theoretical idea, it is an experience. Creativity is elusive and cannot easily be programmed or processed or organized. Under the right circumstances, in the right environment, with the right individuals, it just happens.

This is one reason why consultants like to focus on innovation and avoid working in the dark depths of creativity. Creativity is messy. It is chaotic. The power of creativity is supremely human, yet more often than not defies human intervention or control. To nurture creativity, we must find creative individuals (which in truth includes everyone), provide what they need, then leave them alone. Not a particularly profitable enterprise.

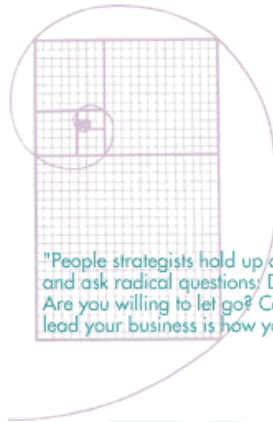
Most consultants are hired to solve problems, yet creativity is not really about problems; it is about seeing opportunity. It is not about “fixing” this world; it is about envisioning whole new worlds—seeking the new and unknown.

Pascal and I are not particularly interested in innovation, but we are interested in creativity. It is not a topic for business strategy, but rather lies behind it, in the realm of people strategy. People strategists ask a different set of questions when the issue is creativity. Questions like, “How do you support the flow of creativity from EVERYONE, not just the few ‘creative’ types? Does the business environment nurture and support creative endeavor? Are people encouraged to try out ideas? To take risks? What is the definition of failure? Is time, energy, and

money spent on nurturing **new ideas** or just new products and services?”

Let's take another example: organization structure. How many times has the structure of your organization been changed, let's say, in the past five years? Dozens? How many times have consultants been hired to “help” implement a new structure, most likely of the bosses' design? Re-structuring is so common that it has become laughable—behind closed doors at most consulting firms—how often a business in trouble will try to “solve” their problems with an organizational makeover. We all know that applying make-up can mask wrinkles on a woman or man, at least for the moment. But do cosmetics change the reality of aging? Organization structures are like the lines on your face: you may cover them up or alter their appearance, but you are not fundamentally touching the flow of life underneath.

Take the organization chart, draw dotted lines on it, and create a “matrix” structure. There now, that should get people to work better together, yes? Or better yet, go all the way and turn the chart upside down. No more bosses, no more employees—the new organization chart will be a circle that places the customer in the center and puts all the staff—top to bottom—floating in the doughy part of the donut around them. Yeah, right. Traditional consultants love playing with these new-fangled org charts. They are out to answer the almighty question: what is the “perfect” or “optimal” or “fill-in-the-blank-with-the-latest-buzzword” organization structure to keep this business humming along at peak performance?



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People strategists say: don't waste your money. There is no such thing as an optimal organization structure. There are, in fact, many hundreds of them—formal ones on the wall, and informal ones in the washroom, on the golf course, in the dining rooms. Every time you put two people in a room together some sort of structure will form within about ten seconds. Who is in charge? If no one, then what does “equal” mean? How will we operate together? The chart on the wall rarely, if ever, answers these questions for two people, let alone ten thousand.

No, what is really hidden behind the organization structure is again, just a group of people, trying to **RELATE** to each other for a period of time, with a specific purpose in mind. It is all made up in the moment. All temporary. All in constant flux. If the connection between people ‘works,’ even for a few days, well then, you have yourself an “optimal” organization. But don't hold your breath. It will change.

What is really crucial in growing a business is not the “organization structure” per se but whether people **build relationships** that serve the business and meet their own needs. The structure is at best, an abstraction, and at worst—costing many thousands of dollars in “restructuring fees”—a distraction. What counts is the relationships between people—one at a time. So, when it comes to organization structure, people strategists start with a different set of questions: do you have the right people, in the right place, at the right time, all committed to accomplishing the same goal? If yes, then get out of the way and let 'em have it. If no, is the structure getting in the way? (Most likely.) Does the structure serve the needs of the people or the other way around? What do you pay attention to—the needs of people, or the “beauty” and “symmetry” and “constancy” of the structure? If your structure is beautiful and symmetrical and constant, it won't work for long. Guaranteed.

Now a third case: leadership. A great deal of consulting, training and HR work is

being done these days in the name of developing better leaders. On the surface, this is all for the good. The sad paradox, however, is that for all the time, energy and money spent on training leaders, there is still only room for a tiny few to actually run things in most businesses. In fact, while the consultants “train” more and more leaders, the press decries the lack of leadership in business, and all the power still rests with the top dog. All eyes are on the CEO. How can this be true? Where are all these newly trained leaders? The sad truth is that most of what passes for “leadership training” is really just “followership training” in disguise. Consider the military model: What are all the “leaders” below General really expected to do? Lead? Not. They are expected to follow orders. As if their lives depended on it. So it is in most businesses.

Ultimately, we have yet to reconcile the fact that even in the world’s most successful democracy, most businesses are still run like feudal estates. Power is all about “power over” others. How many businesses can you name that are run “by the people and for the people”? Leadership is a great idea whose time, in most big companies, has yet to come. When selling the services of “leadership consulting,” most consultants ask questions like these: have you identified the high potential leaders in the organization? (Assumption: there are only a select few to be found.) Are you training leaders to follow the company values? (As if they are different from their own values...) Are you showing newly minted leaders how to “handle” a variety of business situations? (As if they wouldn’t know how to “handle” them on their own, in their own way...)

People strategists see this issue of leadership in a slightly different way. For example, if you are truly a leader in a company, why would you need to be “trained” in company values? Wouldn’t the values of the company have been created by you? Wouldn’t they be yours to begin with? And the same goes for “handling” situations. If you were truly a leader, wouldn’t you want to “handle” things the way you feel was appropriate?

In a truly “leaderful” business environment, things would get messy, chaotic, energized, and creative. People would ALL be expected to exert leadership: leadership of self first, and others when and if appropriate. The “right” way to handle a given situation would always be open to a new—and potentially creative—interpretation.

Leaders would constantly experiment. Instead of accumulating power, they would give it away. Leadership would be passed around according to the needs of the situation. The key, in fact, to developing real leadership in people—in everyone—is to encourage active, on-going dialogue about who should lead, follow, and get out of the way. Real leaders do all three, in conscious choice.

Developing leaders in business is a key element of people strategy. But people strategists ask different kinds of questions: What are the values of this company and who determined them? Are they the values of all, or just a select few at the top? What does “participation” really mean in the context of making business decisions? Which carries more power: the person or the position? Is the potential to lead being developed in everyone? How much of your leadership training is devoted to developing self-awareness?

People strategists hold up a mirror to the leaders of today’s business and ask radical questions: Do you believe you are **really** in charge? Are you willing to let go? Can you state unflinchingly that how you lead your business is how you lead your life? With whose permission do you lead? For whom? Why?

At the end of the day, the only true leadership—is leadership of self.

Innovation, organization structure, leadership. They are all fun concepts, ripe for analysis, study, and assessment. Good business strategists grapple endlessly with all three—and rake in big fees!

Creativity, relationships, self-awareness. These are the foundation stones of people strategy. Being creative, building relationships, nurturing self-awareness. .

.these are what people actually do! They are so basic, so real, so simple, that for the most part, they do not require a high-paid consultant to show people how to do them. YET, WITHOUT THEM, conscious, talented, growing people don't stay with an organization for long (or they stay for the wrong reasons), and—contrary to what the stock market likes to promote—a business without people will die.

People strategy is really about remembering. Remembering that every single business was started **by a person with an idea**. . . Before there is a business strategy there is always a people strategy, even if it is a strategy for one. Businesses today say they want to be “more entrepreneurial”; they want to bring out the “intrapreneurs” and “act like a start-up.” Well, to do this they would benefit most from remembering their roots. Their very existence flowed out of the spirit, the creativity, the relationships and the leadership of maybe one—or a few—original pioneers.

As good consultants, Pascal and I do like to get paid for our work. But more importantly, as people strategists, we know that our real job is simple: to dig behind the “business” and uncover what our clients—and we—already know: that in each and every one of us lies an entrepreneur. Just waiting to be set free.

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