GROOMING YOUR NEXT LEADER

3 YOUR LEGACY BEGINS WITH THE ‘WHY’

4 WHERE WILL YOUR BUSINESS BE IN 100 YEARS?

7 ASSESS AND GROOM YOUR PEOPLE
THE DYNAMIC DUO

WORKING IN TANDEM TO EFFECT CHANGE

By CHRISTIE CHUA
christie.chua@leaderonomics.com

B

y now, many of you probably know Hendy Quah – the sole Malaysian recipient of the presta-
tigious Queen’s Young Leaders Award in 2017 and her work with RFTR. Quah, 24, founded the non-
governmental organisation, Refugees for The Refugees (RFTR) with her best friend Andrea Prisha in September 2012.

Having read so much about Quah on social media last year, I couldn’t say no to the opportunity to meet her and get an update on her work when I found out that she would be dropping by the Leaderonomics office.

THE AWARD: ONE YEAR ON

When asked about what has been the best thing to happen since receiving the award, Quah says that “it is the friend-
ships forged with like-minded people whom she met during the programme, and the feeling of belonging to a global community of leaders who cheer each other on.”

“When the going gets tough, it helps to know that there are people across the globe who are doing the same thing as I am – driving major change – and it just inspires me to keep going.”

I think it has also given us a lot more credibility as our work is now seen as being endorsed by the Queen,” adds Quah.

WHAT IS PRIVILEGE TO YOU?

Quah shares that the four months before college that she and Prisha spent volunteering at a refugee school really changed their perspective on what privilege means to them, especially after being told that the school would close down due to the lack of financial resources.

“It really dawned on us then that we were about to pursue higher educa-
tion, something in which we didn’t need to think about much as kids coming from – it’s almost a given that we get to go to school – but these (refugee) kids are being robbed of their only access to edu-
cation,” says Quah.

She shares that back in secondary school, she and her group of friends frequently discussed current issues, but while they were quick to point fingers and get angry with the system, they weren’t as quick to offer their services.

It was then that she realised that there was something she could do, even though she was only 17.

“I don’t have money to give, but I can give my time. And there will be others who can give their resources when they don’t have time to give.”

“There is power in understanding your privilege,” says Quah, sharing an example that really put ‘privilege’ into perspective for me.

“I get to sleep in my own room. It’s not massive, but it’s mine – I don’t need to share my space with anyone else.

Our kids on the other hand, stay in really cramped apartments so much so they have to turn to sleep at night – and that’s something we will find dif-
cult to understand.”

“It’s so easy for me to walk into a café and order a coffee, but some of the mothers are so malnourished they can’t even breastfeed their babies,” she con-
tinues.

When people donate their clothes, it’s clothes that they don’t want anymore, but when we go to refugee communities we don’t see them giving from their excess, we see them giving from their best.

Quah believes that understanding our privilege is the first step to making a dif-
fERENCE in society.

“When you’re clear on your identity, purpose, and worth, there’s so much more that you can do,” she stresses.

OF UNIVERSITY, WORK, AND FRIENDSHIP

How does Quah juggle being a student and her work with RFTR?

She says: “It was really hard, but I think knowing how to pick our battles and knowing what our focus is, helps.”

She says that she and Prisha learnt to take on each other’s workload when the other is busy with the demands of uni-
versity life.

“If I have assignments due or exams coming up, Andrea will do most of the organising and running around, and vice versa.”

She admits that she’s a bit of a scatter-

brain, while Prisha is the more organised and detailed one.

“Working with Andrea has been a complete blast, we have very contrasting personalities but it’s because of this that we work really well together.”

Quah shares that it really helps that she and Prisha are not only colleagues, but also best friends who keep each other accountable, be it for work or stud-
ies.

In fact, 2018 marks 10 years of them being best friends, and Quah couldn’t help laughing as she related this to me:

“We do everything on our own, includ-
ing designing, and there are times when I’d be really satisfied with my work and show it to Andrea, and instead of telling me I did a good job, she points out all the flaws, and corrects them. ‘Heydi, spelling error. Heydi, can you change this word?’ Heydi, the alignment is a bit off.”

“She’s always giving and I think it helps because she related this to me: ‘We do everything on our own, includ-
ing designing, and there are times when I’d be really satisfied with my work and show it to Andrea, and instead of telling me I did a good job, she points out all the flaws, and corrects them. ‘Heydi, spelling error. Heydi, can you change this word?’ Heydi, the alignment is a bit off.”

“When the going gets tough, it helps to know that there are people across the globe who are doing the same thing as I am – driving major change – and it just inspires me to keep going.”

I think it has also given us a lot more credibility as our work is now seen as being endorsed by the Queen,” adds Quah.

Quah shares one particular incident that left a deep impact on her: “When people donate their clothes, it’s clothes that they don’t want anymore, but when we go to refugee communities we don’t see them giving from their excess, we see them giving from their best.”

She continues, her voice tinged with emotion, “And that’s when I’m blown away, because these people know how to give their best, and if I give my best to them so much more can change, for so many lives.”

We often make the distinction between us and them, but refugees are not people too, and Quah feels this needs to change.

“Perhaps if we have rights, we should recognise that refugees have rights as well and [we should] be will-
ing to fight for them just as we fight forours.”

After all, nobody is a refugee by choice.
By ROSHAN THIRAN
roshan.thiran@leaderonomics.com

"People don't buy what you do, they buy why you do it. And what you do simply proves what you believe." – Simon Sinek

I was during a trip to the United Kingdom that I spotted a man in heavy London traffic, sitting at the wheel of a gleaming red Ferrari. The car crawled just as slowly as the others, and the road ahead seemed to move just a few feet at a time. Although the Ferrari was nice to look at, it made the same progress as a Toyota or Vauxhall in traversing the city centre. After a minute or so, another man (this time, riper and more refined) peered into my eye as he zipped passed the sleepy traffic, making his way effortlessly to wherever he was headed.

The cyclist looked like a man on a mission – he was focused on nothing but the road ahead.

That fleeting moment made me think about its meaning, and what it takes to be a successful entrepreneur.

Don’t get me wrong: presumably, the man who sat behind the wheel of the Ferrari was successful and worked hard for everything he had achieved. And it’s perfectly fine to use personal ambition or material wealth as a motivator to achieve and thrive in whatever you do. This isn’t a judgement on how people choose to be inspired.

But it did get me thinking about some of the young entrepreneurs I’ve spoken to over the years, some of whom – in conversation – had revealed to me that they wanted to create a business for the purpose of being seen as successful through the status and material wealth they might gain.

“On social media, everything does. You have to become rich with this idea...” they ask, before launching excitable into some grand plan designed to transform their lives.

MONEY = FULFILMENT?

Without exception, I always encourage any young entrepreneur who might be fixated on financial gains to re-align their motivation:

Is it possible to get rich off an idea? Of course. It’s a great idea that’s planned and executed well, there’s no reason why it can’t make you money. But does having money as a motivator bring lasting success or fulfillment? The answer to that question is much less clear.

I can only speak from my own experience and say that, of all the successful entrepreneurs I’ve met and known, none of them worked for the primary goal of becoming rich or well-known.

That’s not to say that they never thought of making money – of course they did – but every single one of them built their business or empire on one or two clear motivators: passion and purpose.

In short, they absolutely love what they do, and saw how their passion could make a difference to their own lives, their families, friends, and beyond.

Why? Because that’s what drives them, and that’s what people buy into. Every time.

"Don’t set your goals by what other people deem important." – Jaachyna N.E. Agu

Sometimes, the young entrepreneurs I meet will invite me to follow them on social media and occasionally I’ll look through one or two to see what’s going on.

In some cases (certainly not all), I see a familiar story: the pictures with the flashy watches, the shots of serious business being done on the laptop (the Apple logo in clear view...), the champagne bottles at parties, the sharp suits, the obligatory collective shot of a Starbucks coffee, car keys, phone, notebook and pen (businessmeetsfriends... it all looks quite impressive.

On social media, everything does.

IT’S HARD WORK

I don’t mean to knock anyone who shows off their success, but what I do is; try to discourage, particularly in young people, the fantasy that being an entrepreneur is a life of smooth sailing pepped with Moet and Gucci comforts.

On social media, everything does.

MONEY = FULFILMENT?

If you ask any successful entrepreneur about their story, there’s a good chance they’ll tell you why they do what they do more than they talk about what is that they do.

As did the man in the fold-up bicycle. Or so I imagined their work day to end, anyway.

Entrepreneurship isn’t about what you have – it’s always about what you do and why you do it. And your ‘why’ had better be something that comes from deep within, or else your successes are going to last only as long as your surface motivations.

However people define success for themselves, whenever they reach it, I couldn’t be happier for them. Whether they’re driven by purpose, money, status, meaning or personal ambition, success that’s earned through hard work and perseverance is something to be celebrated.

But more often than not, when aspiring entrepreneurs pursue their dreams or an idea based on a superficial reason (i.e. their ‘why’ doesn’t come from their gut), they don’t have the stamina or the commitment to see an idea through.

They baulk at the idea of working 14 to 18 hours a day on their grand plan, and they don’t want to think about potential obstacles.

The idea of re-investing hard-earned money doesn’t sound good, and there’s no enthusiasm for the notion that entrepreneurs have to bounce back on a regular basis from rejection and isolation – particularly in the early days.

If the hard realities of entrepreneurship are hard to stomach, it can be a living nightmare to pursue.

But if you’re driven by a passion that serves a purpose and can help you to build a strong legacy, then the hard realities of entrepreneurship cease to be.

Instead, they’re replaced by challenges that stretch you, obstacles that strengthen your resolve, and setbacks that teach you valuable lessons every time you decide to carry on pushing forward.

It gives you a reason to get up in the morning, and plants a vision in your head that compels you to become a better version of yourself, day after day after day.

And there is nothing better than that in the world.

If you ask any successful entrepreneur about their story, there’s a good chance they’ll tell you why they do what they do more than they talk about what is that they do.

As did the man in the fold-up bicycle. Or so I imagined their work day to end, anyway.

Entrepreneurship isn’t about what you have – it’s always about what you do and why you do it. And your ‘why’ had better be something that comes from deep within, or else your successes are going to last only as long as your surface motivations.

However people define success for themselves, whenever they reach it, I couldn’t be happier for them. Whether they’re driven by purpose, money, status, meaning or personal ambition, success that’s earned through hard work and perseverance is something to be celebrated.

But more often than not, when aspiring entrepreneurs pursue their dreams or an idea based on a superficial reason (i.e. their ‘why’ doesn’t come from their gut), they don’t have the stamina or the commitment to see an idea through.

They baulk at the idea of working 14 to 18 hours a day on their grand plan, and they don’t want to think about potential obstacles.

The idea of re-investing hard-earned money doesn’t sound good, and there’s no enthusiasm for the notion that entrepreneurs have to bounce back on a regular basis from rejection and isolation – particularly in the early days.

If the hard realities of entrepreneurship are hard to stomach, it can be a living nightmare to pursue.

But if you’re driven by a passion that serves a purpose and can help you to build a strong legacy, then the hard realities of entrepreneurship cease to be.

Instead, they’re replaced by challenges that stretch you, obstacles that strengthen your resolve, and setbacks that teach you valuable lessons every time you decide to carry on pushing forward.

It gives you a reason to get up in the morning, and plants a vision in your head that compels you to become a better version of yourself, day after day after day.

And there is nothing better than that in the world.
By ANDREW GRIFFITHS
editor@leaderonomics.com

HAVE you got a 100-year business plan?

As far as questions go, this is about as big as it gets and at first take, it seems kind of irrelevant in the rapidly changing world that we live in.

Most of us don’t think much beyond a few years but it does raise some interesting thoughts.

Many years ago, I worked for a large Japanese shipping company and shortly after I started, I was given a copy of their 100-year plan and I have to say, it completely floored me.

Initially, I imagined it would be a simple promotional tool, without much substance but plenty of pretty pictures. I couldn’t have been more wrong.

This was a working document that was open-ended. By this, I mean it gets updated every year and as far as I know, it still does.

So, what was in this 100-year plan?

A CENTURY OF CHALLENGES?

Their team of futurists had done their best to map out the challenges and opportunities the company could expect to face.

They looked at financial challenges like recessions, natural disasters including large-scale earthquakes, political unrest and wars, the end of fossil fuels as the primary energy source and much more.

In many ways, it wasn’t a document that bode well for the future of this company.

Think about what it must have been like for them to be seeing the end of fossil fuels. They made almost 50% of their overall revenue from transporting oil and gas around the world, so this could be considered a company-ending trend.

But the really amazing part of their 100-year plan was the fact that they had identified all of these challenges (and many more than I have mentioned here).

Rather than throw their arms up in despair, they figured out what it would mean for their company and what they would need to do to not just survive these issues, but actually come out even stronger and better equipped to survive.

For example, they figured out that tourism was a good business to get into as there is a never-ending supply of people wanting to go on holidays. So, they got into the cruise business.

Their luxury cruise ships now ply the oceans of the world. Some of you may even be familiar with their American cruise division, Crystal Cruises.

They identified the cruise boom that was coming and positioned themselves to take advantage of that, which reduced their reliance on shipping things like fossil fuels.

THE DEFINING PHILOSOPHIES

I noticed three very important philosophies that the company had followed when they developed their 100-year plan:

1. They never doubted that they would be around in 100 years.
2. They painted worst-case scenarios, not overly optimistic scenarios.
3. They understood that they needed to evolve to meet these challenges not just change.

There is a big difference between evolving and changing. When something changes it simply becomes different, not necessarily better.

Often, change is forced upon us and the end result is not pretty. Evolution is much smarter. When something evolves, it reacts to external stimuli and transforms into something that is better able to survive in the new environment.

The shipping company had this concept firmly embedded in its culture. Figure out what is going to impact them and then get really smart about working out ways to grow into an even better organisation.

To me, this is very smart but it seems a rare philosophy.

CHANGING VS EVOLVING

Right now, many businesses around the world are changing, but my question is: are they changing or are they evolving? Are they just reacting to what is going on around them in terms of economic challenges, technical advancements and new consumer behaviour but not getting better?

We also have to understand that customers are evolving as well.

Today’s consumer is very different to the consumer from 10 years ago.

Of course, one of the most influencing factors on consumer behaviour is the Internet. I tend to think of consumer behaviour in term of BG (before Google) and AG (after Google).

Consumers today are incredibly well-informed. They have access to information and other people’s feedback instantly, they are time-deprived like never before, they have an incredible amount of choice and they are certainly not afraid to use it and, they are incredibly open-minded when it comes to “new”.

BRINGING IT TOGETHER

When I am asked what the key to business success is, I am very clear.

Long-term success and financial profitability are directly tied to a business’ ability to continually evolve.

Get really good at evolving and everything else falls into place.

Now, I am not saying it is easy, but it also isn’t that hard if you know what to do. It’s a culture as opposed to a strategy.

---

THE 100-YEAR BUSINESS PLAN

By ANDREW GRIFFITHS
editor@leaderonomics.com

In many ways, it wasn’t a document that bode well for the future of this company.

Think about what it must have been like for them to be seeing the end of fossil fuels. They made almost 50% of their overall revenue from transporting oil and gas around the world, so this could be considered a company-ending trend.

But the really amazing part of their 100-year plan was the fact that they had identified all of these challenges (and many more than I have mentioned here).

Rather than throw their arms up in despair, they figured out what it would mean for their company and what they would need to do to not just survive these issues, but actually come out even stronger and better equipped to survive.

For example, they figured out that tourism was a good business to get into as there is a never-ending supply of people wanting to go on holidays. So, they got into the cruise business.

Their luxury cruise ships now ply the oceans of the world. Some of you may even be familiar with their American cruise division, Crystal Cruises.

They identified the cruise boom that was coming and positioned themselves to take advantage of that, which reduced their reliance on shipping things like fossil fuels.

THE DEFINING PHILOSOPHIES

I noticed three very important philosophies that the company had followed when they developed their 100-year plan:

1. They never doubted that they would be around in 100 years.
2. They painted worst-case scenarios, not overly optimistic scenarios.
3. They understood that they needed to evolve to meet these challenges not just change.

There is a big difference between evolving and changing. When something changes it simply becomes different, not necessarily better.

Often, change is forced upon us and the end result is not pretty. Evolution is much smarter. When something evolves, it reacts to external stimuli and transforms into something that is better able to survive in the new environment.

The shipping company had this concept firmly embedded in its culture. Figure out what is going to impact them and then get really smart about working out ways to grow into an even better organisation.

To me, this is very smart but it seems a rare philosophy.

CHANGING VS EVOLVING

Right now, many businesses around the world are changing, but my question is: are they changing or are they evolving? Are they just reacting to what is going on around them in terms of economic challenges, technical advancements and new consumer behaviour but not getting better?

We also have to understand that customers are evolving as well.

Today’s consumer is very different to the consumer from 10 years ago.

Of course, one of the most influencing factors on consumer behaviour is the Internet. I tend to think of consumer behaviour in term of BG (before Google) and AG (after Google).

Consumers today are incredibly well-informed. They have access to information and other people’s feedback instantly, they are time-deprived like never before, they have an incredible amount of choice and they are certainly not afraid to use it and, they are incredibly open-minded when it comes to “new”.

BRINGING IT TOGETHER

When I am asked what the key to business success is, I am very clear.

Long-term success and financial profitability are directly tied to a business’ ability to continually evolve.

Get really good at evolving and everything else falls into place.

Now, I am not saying it is easy, but it also isn’t that hard if you know what to do. It’s a culture as opposed to a strategy.
WORKER AUTONOMY
TAKING CONTROL OF YOUR TEAMS’ TIME

By DR TOMMY WEIR
editor@leaderonomics.com

Are you wasting your teams’ time? Without realizing it, you probably are.
One of my first bosses used to say, “If you get your work done by Wednesday, you can go to Tahiti for all I care.” He wasn’t concerned with how I spent my time, as long as I delivered.

It might seem like a fair way of working, but in truth, he should have been more concerned about how his employees spent their time.

On the surface, his approach seemed rational and noble, but it was based upon a flawed understanding of time.

TIME IS A RESOURCE

As a leader, when you employ a worker you are actually buying time. Of course, there’s a premium for employee knowledge, experience and ability, but in the end, it all boils down to time.

That means you should concentrate on how every hour is spent and think of time like you do a financial budget.

I’m sure you don’t spend your company’s money imprudently, yet when it comes to time, many of us treat it like an infinite resource.

It’s not! Time is finite, just like a fiscal resource.

My former boss should have never said, “You can go to Tahiti for all I care,” nor should he have left his employees to manage their own schedules.

That’s because employees are poor stewards of time. What I’ve shared before still holds true: out of the twenty-four hours measured by the Character Strengths Survey, more than two million people confess that they are weakest at self-control.

We think we use time wisely, when in reality, we unconsciously waste precious minutes, which accumulate into hours, days and even weeks every year.

The other reason my then-employer should have chosen his words more carefully is this: if I could have completed my work by Wednesday, then that means I had the capacity to accomplish at least 20% more every week.

The notion of allowing your employees to work when, where and how they want is a reversal of the principles of scientific management and is rooted in the worker autonomy movement that began in the 1970s.

While designed to give employees greater independence, the worker autonomy movement also ushered in a slide in productivity.

NO MULTIPLE ‘BEST WAYS’

It seemed both logical and correct that removing the heavy hand of management and giving employees more freedom to perform in line with key performance indicators (KPIs) would lead to better results.

In reality, however, focusing solely on KPI-based performance does not reflect what companies really need from their employees and, with workers left to their own devices, productivity slides.

In fact, worker autonomy has in many ways landed us right back where we started out more than a century ago. That is, grappling with the question of how much time we devote to time?

YOU ARE THE STEWARD OF TIME

My question to you is: “Do you manage time? Or, do you operate with the same sentiment as my former boss?”

As both history and logic have taught us, it simply isn’t possible to have multiple ‘best ways’ of getting a job done.

You’re a steward of time and are responsible for not wasting it, both at the employee and company levels.

Unintentionally, you’ve probably become complicit in time-wasting, but it doesn’t have to stay that way.

Take control of the hours you’re responsible for. If you do, your employees will thank you for it and you’ll find yourself on the path to productivity growth.

A thinker, speaker, and writer to the core, Dr Tommy holds a doctorate in strategic leadership from Regent University and is the founder of EMIC (Executive Management Institute of Change) Coach. If you would like to share with us your views on worker autonomy, do email us at editor@leaderonomics.com.

Given the freedom to manage their time, employees produced less goods or services per hour, not more.

You probably are.

RACES ARE WON
WHEN YOU’RE LEADING IN ONE DIRECTION

Let us support you with:

VISION ALIGNMENT
LEADERSHIP DEVELOPMENT
TEAM BUILDING
DIGITAL LEARNING
CHANGE CONSULTING

Lock in your business success today!

To schedule a free consultation, email us at info@leaderonomics.com
Safeguarding Your Legacy

Factors to Remember When Choosing a Successor

By ROYBURN MOHAN
rodneyhun.mohan@leaderonomics.com

Succession planning is a vital component in an organisation to ensure the successful output of any business by identifying talent which will take you forward. Whether it’s within your department or organisation, it’s essential for organisations to have a succession plan to guarantee that the person who succeeds the former employee is capable and fits the requirements.

What Happens When There’s No Plan?

Your legacy could be jeopardised. According to Carol Sankar the founder of The Confidence Factor, the founder of The Confidence Factor, the job of a great leader is to distinguish and coach their successor so who will keep on moving the organisation forward. Deep in mind, there is more in danger than simply your business. It is additionally in danger in your personal life. What happens if you pass on the baton to someone who is in line and acceptable, you not only risking the position you held, but you are also risking the organisation’s value.

It will be that harder to find a skilled candidate. The Association for Talent Development reports that 87% of organisations lack an inheritance of key positions. These challenges limit business performance, customer service and growth.

Recruiting more is expensive than training.

Nick Davis a business psychologist says all organisations need to watch out for the man in line and prudent with expenditure. Without a succession plan set up, you may find yourselves in the future in a situation where you have to quickly fill an executive position, however you don’t have any providing, competent employees to fill the potential. All things considered, you’ll need to reinvest your concentration external towards external candidates.

While the recruitment selection process is beneficial, the expense of external candidates have a tendency to be significantly lighter than the cost of training existing employees. On top of this, they may not possess the organisation’s culture, qualities and techniques. In addition, external candidates tend to obtain lower marks in performance appraisal and are more probable to be out of work compared to internal employees.

For this reason, you need to make the most out of existing talent, and plan for their succession.

Without a Succession Plan, Stress and Frustrations Surface

Davis further stresses if a succession plan is not in place, you are almost assured an external candidate. This will accompany a lack of preparation from the executive level. In the pressure, there is a tendency to find a permanent replacement, and you have failed to plan.

The best remedies can often prove genuine, no matter how systematic and vigour the indicators are in one valuation. Recruiting external candidates could result impact and engagement.

Sharon Levy, the president of IOM Group inc. emphases that employees want to know they have a future with the organisation. One way to establish that, they need to see that your organisation is going through training and development.

Potential Disputes

There is a potential for disputes to occur within the organisation when there is no clear succession plan present within the organisation or department.

These disputes happen because employees or people working within the organisation may question such beliefs they can be expected to fill the empty spot. For you to respond to this problem, you need to put in place some strategies.

How A Good PLan Works

According to Darin Dollas, the Managing Partner of OnPoint Consulting, there are two very important elements that need to be taken into account to ensure success of a succession plan.

1. Identify the Right People

One of the most important aspects of any succession plan is finding a stream of high-potential employees to fill your organisation’s business-critical leadership roles. Significantly, there is a common fallacy that a high-performing employee is a high potential leader.

It is not enough to have great potential to perform into leadership roles that, generally, they are not always prepared for. According to Dollas, some measures that an organisation can take to make sure if the right people in the organisation.

2. Create a Success Profile For Key Positions

The first step is to establish what it looks line for a specific position. Consider which skills and behaviours are desirable to be in line for the role, and use these to form the foundation of the assessment criteria.

Leadership Assessments

These assessments distinguish high-potential employees by determining important metrics, such as learning agility, strategic thinking, and emotional intellect.

Conduct interviews to assess the employee’s experience. Carrying out interviews to assess the employee’s experience, objectives, and past performance can be advantageous. interviews with all candidates.

Check out the list of candidates with a true “high-potential” candidate.

Are You Developing Your Potential?

If candidates are developing well and engineering within their role, engagement, morale and morale grows.

If candidates are not developing well, they are more likely showing to their time, that’s a situation who can be good.

As a business leader, you can really afford the development of your employees but not their best ideas or strongest commitment? Today we need just ‘just purely share ideas’ – there’s also the recognition that people are to have the freedom to change and grow.

It is why we need to put in a plan to change and how to grow.

Interestingly, rather than develop a key ingredient for how organisations grow.

We are stuck in a helplessness to get things they can manage at any time and with limited resources.

According to the ITM Group, the president of ITM Group, Sharyln Lauby, the president of ITM Group, the president of ITM Group, it is vital to take and increase the Critical Success Factor (CSF) without a succession plan set up, you may wind up in the circumstance where you have only risking the position you held, but you are also risking your legacy.

Without a succession plan, you may wind up in the circumstance where you have only risking the position you held, but you are also risking your legacy.

With an effective succession plan, you can make continuous improvements to your organisation’s business-critical leadership roles.

How does your organisation approach succession planning today? What is working well, and what areas for improvement? We would love to hear from you.

By SANDY CLARKE and RISHA仟 THIRAN

Editor@leaderonomics.com

Around 85% of the world’s workforce are not engaged or actually disengaged at work, according to Gallup’s 2017 State of the Global Workforce report.

In a breakdown of the figures, Gallup’s research – covering more than 150 countries – suggests that 28% of people are actually disengaged, while 55% are not engaged and 17% are “actively disengaged.”

The latter group makes up the majority of the workforce. With these numbers, the Gallup reports that 70% of the workforce or 3.7 billion people are at work, but not working.

If talent are developing well and engineering within their role, engagement, morale and morale grows.

If candidates are not developing well, they are more likely showing to their time, that’s a situation who can be good.

As a business leader, you can really afford the development of your employees but not their best ideas or strongest commitment? Today we need just ‘just purely share ideas’ – there’s also the recognition that people are to have the freedom to change and grow.

It is why we need to put in a plan to change and how to grow.

Interestingly, rather than develop a key ingredient for how organisations grow.

We are stuck in a helplessness to get things they can manage at any time and with limited resources.

According to the ITM Group, the president of ITM Group, Sharyln Lauby, the president of ITM Group, it is vital to take and increase the Critical Success Factor (CSF) without a succession plan set up, you may wind up in the circumstance where you have only risking the position you held, but you are also risking your legacy.

Without a succession plan, you may wind up in the circumstance where you have only risking the position you held, but you are also risking your legacy.

With an effective succession plan, you can make continuous improvements to your organisation’s business-critical leadership roles.

How does your organisation approach succession planning today? What is working well, and what areas for improvement? We would love to hear from you.
UNLEASHING POTENTIAL

6 WHOLE DAYS OF HOLISTIC LEARNING FOR LIFE

By WONG EE LING
wong.lee@leaderonomics.com

DIC Youth Leadership Camp – a total of 44 campers – 15 of them were sponsored campers from the Malaysian Social Research Institute refugee school.

So, what happens when Malaysian students come together with students from India, Afghanistan, Yemen, Iran, Somalia, and Egypt? They form a very beautiful and unique camp experience. I was a facilitator for Team Russia (each group was named after a country, not necessarily related to their country of origin).

As expected, everybody was very quiet and shy on the first day of camp during the first group meeting. It was so nice to see them breaking the ice by working together to come up with group games.

The quiet ones began to talk... the jokers began to show their belong (stripes)... it was a very beautiful picture I had captured in my memory.

They did very well and won many games together, and eventually became the overall champions of the camp! Their characters complemented each other very well. There were the motivators, doers, jokers, leaders, followers, younger and older campers.

They, reviewed, they strategised, they communicated. It was indeed a very holistic six days of living together.

DEVOLVING CAMARADERIE

Wherever a team is leading, they’re bound to have more opponents in the field. Team Russia were severely ‘attacked’ by all groups during the Capture the Flag game, yet when the game finished, they took the initiative to stay back to debrief themselves on how they could do better.

Occasionally, they would quip some inspirational quotes: “Don’t think negative thoughts,” or “Don’t just think of yourself, think of us doing it as a team.”

So me, these words being uttered by 14- and 15-year-olds were very impactful.

Part of the camp experience was also having to bicker and share with new friends. By default, they preferred to stay together with their own friends. Staying with new friends was a challenge as some found it hard to connect with each other.

KNOCK, KNOCK! WHO’S THERE?

Let’s hear the story of Chalet 8 girls. After games time, the girls in Chalet 8 had some distress in their chalet, so I went over to check on them. They had heard someone knocking on their door a few times, but when they opened the door, there wasn’t anyone there.

Naturally, the five girls were afraid and anxious. One of the girls, Chloe* (not her real name) shared how she did not have an anxious. One of the girls, Chloe* (not her real name) shared how she did not have an anxious. One of the girls, Chloe* (not her real name) shared how she didn't have a good feeling about it as she'd also had a fall on that day.

She felt that the mishap might be something more, an ominous sign of something bad. Out of fear, she wanted to change chalets.

While this was going on, others who had been wanting to change rooms to be with their own friends started coming forward with their intention to change rooms. It seemed like nobody wanted to be in Chalet 8!

Just that morning, the girls had been through a session called “Breaking Boundaries.” I reminded Chloe that she needed to lay down her fears that were holding her back from growing as a person.

I reminded her that we can’t change the situation. The only thing we can change is ourselves. What if she changed chalets and heard knocking on that door too?

As the session’s lessons slowly came back to her, Chloe started looking much more composed and decided to remain in Chalet 8. The others who were clamouring to change rooms also had a change of mind.

The entire atmosphere in Chalet 8 changed. All the girls started encouraging one another to stay on together.

Since that night, the Chalet 8 girls formed a bond – they walked to the dining hall together, and walked back to the chalet together. They were constantly on the lookout for one another, making sure everyone was alright. What beautiful camaraderie!

It was this kind of camp experience that created unforgettable lifetime memories.

In case you’re wondering where the knocking sound was coming from, we found out from the caretaker that there were woodpeckers around the campsite, hence the knocking sound!

KINDNESS WILL KEEP US ALIVE

Here’s another story to share. There was a 13-year-old boy, James*, (not real name) whom the campers thought was disruptive. If he didn’t like you, he would say it directly to your face.

There was an activity in which I played the role of a customer and he, the owner of the business. After the activity, he left me a note with these words: “You are the worst customer ever!”

I later found out that on several occasions, he had expressed positive words to other campers and facilitators.

I sat down next to him during one of the meals, and I asked him: “I heard you saying affirmative words to some facilitators. How come you didn’t say that to me?”

He gave me a quick, curt reply: “Because you are not beautiful!”

I told him that words like that hurt people, especially if said to girls. We have to practice saying kind words.

His response was a straight-faced, “I was joking.” I decided to share the story of the boy who cried wolf – surprisingly, a story he had not heard before.

I shared the lesson that if he did something frequently because it is fun, people around him will no longer believe him when he is serious. He was very attentive and he nodded in understanding.

On the last day of camp, James sat next to me during lunch and said: “You are very beautiful!”

I affirmed that action and I thanked him for his kind words. I needed to give him positive reinforcement for saying something kind.

Way to go, James! Your improvement gave me joy in doing what I do for the purpose of transforming lives like yours.

CLOSING TIME

Six days of camp was long enough to go through fun times, learning times, stretching times, breaking times, and victorious times.

In a camp where we learn about leadership, some highlights include self-awareness, breaking free from fears that hold us back, project management, and public speaking.

In this camp, students learnt to grow their leadership skills. It was also a time for social learning by staying with new friends from diverse backgrounds.

What kept me going throughout the six-day camp as a facilitator was seeing how lives were transformed during the camp.

Youth is the crucial time to anchor their character and growth. Here in Leaderonomics, our research indicates that effort and hard work put into the first 18 years of one’s life shapes how the person turns out to be in the future.

Certain key elements need to be introduced, ingrained, and cultivated by intentionally focusing on building the right attitudes and character, and providing solid foundations for these youths so that they can then launch their respective journeys in life.

Like this article? Follow us @leaderonomics on Facebook, Twitter, LinkedIn and Instagram.

Want to know more about Leaderonomics Youth? Email us at youth@leaderonomics.com or check out Leaderonomicsyouth on Facebook and Instagram!
LEADERSHIP CHALLENGES

9 WAYS TO MANAGE UNDERPERFORMING EMPLOYEES

By KAREN GATELY
editor@leaderonomics.com

Are you frustrated by the impact of poor performers on the spirit and success of your team? If so, you’re far from alone. Research by the Centre for Creative Leadership, spanning China/Hong Kong, Egypt, India, Singapore, Spain, the United Kingdom and the United States, identified six common challenges middle and senior managers face.

1. ASSUME THE ROLE OF COACH
Commit to doing your part to help people improve. There’s no shortcut to success, so invest in coaching and provide your team with the strength of leadership they need.

2. LEAVE NO ROOM FOR DOUBT
Set very clear expectations about the standards of performance you want to see. Focus not only on what people are expected to achieve but also on how they are expected to go about doing it. Building the culture that will most likely enable your whole team to thrive demands equal focus on results and behaviours.

3. FACE REALITY AND ACT EARLY
All too often, leaders overlook early signs of underperformance. Recognise when people are getting off track or failing to deliver on reasonable expectations and choose to act.

While it’s important to see the good in people, it is also crucial to make objective assessments about progress. This is preferably done as early as possible when someone assumes a new role.

4. ENGAGE IN HONEST CONVERSATIONS
It’s common to observe managers avoiding difficult conversations about poor performance. W. Edwards Deming, leading authority on management once said: “People can face almost any problem except the problem of people.... Faced with problems of people, management will go into a state of paralysis.”

However, left unaddressed, performance issues typically get worse. As soon as you become concerned about someone’s performance, let him or her know. Explain why you hold the concerns that you do and offer support to help them improve.

5. UNDERSTAND THE PROBLEM
To be able to support anyone in order for them to improve, you would first need to understand what’s holding them back.

Begin by reflecting on the extent to which they have the capabilities required to deliver. That is, do they have the essential knowledge, skills and experience needed to meet the expected standards of performance? Or, is the real problem, for example, the way they choose to behave?

6. ASSESS ENGAGEMENT
If it’s evident that someone has the necessary knowledge and skills, next assess the extent to which they are engaged in their work and with your organisation.

According to research by Aon Hewitt, “a five percent increase in employee engagement is linked to a three percent lift in revenue a year later.”

The simple truth is, no matter how talented someone is, unless they want to perform at their best, they are unlikely to do so.

7. ACT WITH STRENGTH AND COMPASSION
Engage with respect and sensitivity, while at the same time ensure that honest insight is shared about what needs to improve.

When delivered well, the truth is a powerful gift of opportunity we give to someone for them to understand their reality and do something about it.

8. LEVERAGE STRENGTHS
In a study of almost 50,000 teams in 45 countries, Gallup researchers discovered that those who received ‘strengths interventions’ increased sales by 10% to 19% and profits by 14% to 29%, compared to control groups. While it matters to address skill gaps or ineffective behaviours, aligning people to their strengths can also have a big impact on improving performance.

9. MAKE TOUGH DECISIONS
Building a culture of accountability and high performance requires that you make necessary decisions when people fail to step up.

If, after providing fair opportunity to understand your expectations and reasonable support to improve, someone continues to underperform, then it is time to let them go. As difficult a decision as it can be, success of the rest of your team – and ultimately the business – depends on it.

In conclusion
Prevention is always better than cure. A Gallup Global Workplace report points out: “Businesses that orient performance management systems around basic human needs for psychological engagement, such as positive workplace relationships, frequent recognition, ongoing performance conversations and opportunities for personal development, get the most out of their employees.”

Place priority on recruiting the right talent and energy. If you have successfully identified a strategy on how to manage underproductive employees, drop us a note at editor@leaderonomics.com.

Follow us on Facebook, Twitter, LinkedIn and Instagram.

Like this article? Follow us @Leaderonomics on Facebook, Twitter, LinkedIn and Instagram.

If you are constantly feeling stressed out and angry because other people are letting you down, it’s time to do something about it. Read on to find out more at: bit.ly/GKmanaging conflict

www.leaderonomics.com | Saturday 21 July 2018

LEADERSHIP CHALLENGES

9 WAYS TO MANAGE UNDERPERFORMING EMPLOYEES

By KAREN GATELY
editor@leaderonomics.com

Are you frustrated by the impact of poor performers on the spirit and success of your team? If so, you’re far from alone. Research by the Centre for Creative Leadership, spanning China/Hong Kong, Egypt, India, Singapore, Spain, the United Kingdom and the United States, identified six common challenges middle and senior managers face.

1. ASSUME THE ROLE OF COACH
Commit to doing your part to help people improve. There’s no shortcut to success, so invest in coaching and provide your team with the strength of leadership they need.

2. LEAVE NO ROOM FOR DOUBT
Set very clear expectations about the standards of performance you want to see. Focus not only on what people are expected to achieve but also on how they are expected to go about doing it. Building the culture that will most likely enable your whole team to thrive demands equal focus on results and behaviours.

3. FACE REALITY AND ACT EARLY
All too often, leaders overlook early signs of underperformance. Recognise when people are getting off track or failing to deliver on reasonable expectations and choose to act.

While it’s important to see the good in people, it is also crucial to make objective assessments about progress. This is preferably done as early as possible when someone assumes a new role.

4. ENGAGE IN HONEST CONVERSATIONS
It’s common to observe managers avoiding difficult conversations about poor performance. W. Edwards Deming, leading authority on management once said: “People can face almost any problem except the problem of people.... Faced with problems of people, management will go into a state of paralysis.”

However, left unaddressed, performance issues typically get worse. As soon as you become concerned about someone’s performance, let him or her know. Explain why you hold the concerns that you do and offer support to help them improve.

5. UNDERSTAND THE PROBLEM
To be able to support anyone in order for them to improve, you would first need to understand what’s holding them back.

Begin by reflecting on the extent to which they have the capabilities required to deliver. That is, do they have the essential knowledge, skills and experience needed to meet the expected standards of performance? Or, is the real problem, for example, the way they choose to behave?

6. ASSESS ENGAGEMENT
If it’s evident that someone has the necessary knowledge and skills, next assess the extent to which they are engaged in their work and with your organisation.

According to research by Aon Hewitt, “a five percent increase in employee engagement is linked to a three percent lift in revenue a year later.”

The simple truth is, no matter how talented someone is, unless they want to perform at their best, they are unlikely to do so.

7. ACT WITH STRENGTH AND COMPASSION
Engage with respect and sensitivity, while at the same time ensure that honest insight is shared about what needs to improve.

When delivered well, the truth is a powerful gift of opportunity we give to someone for them to understand their reality and do something about it.

8. LEVERAGE STRENGTHS
In a study of almost 50,000 teams in 45 countries, Gallup researchers discovered that those who received ‘strengths interventions’ increased sales by 10% to 19% and profits by 14% to 29%, compared to control groups. While it matters to address skill gaps or ineffective behaviours, aligning people to their strengths can also have a big impact on improving performance.

9. MAKE TOUGH DECISIONS
Building a culture of accountability and high performance requires that you make necessary decisions when people fail to step up.

If, after providing fair opportunity to understand your expectations and reasonable support to improve, someone continues to underperform, then it is time to let them go. As difficult a decision as it can be, success of the rest of your team – and ultimately the business – depends on it.

In conclusion
Prevention is always better than cure. A Gallup Global Workplace report points out: “Businesses that orient performance management systems around basic human needs for psychological engagement, such as positive workplace relationships, frequent recognition, ongoing performance conversations and opportunities for personal development, get the most out of their employees.”

Place priority on recruiting the right talent and energy. If you have successfully identified a strategy on how to manage underproductive employees, drop us a note at editor@leaderonomics.com.

Follow us on Facebook, Twitter, LinkedIn and Instagram.

Like this article? Follow us @Leaderonomics on Facebook, Twitter, LinkedIn and Instagram.

If you are constantly feeling stressed out and angry because other people are letting you down, it’s time to do something about it. Read on to find out more at: bit.ly/GKmanaging conflict

www.leaderonomics.com | Saturday 21 July 2018
The number of women leaders in the largest companies in the United States declined by 25% this year, as reported by Claire Cam Miller of the New York Times. Because the number of female chief executive officers (CEO) is small to begin with, the departure of even one – such as the recent departure of Denise Morrison as the CEO of Campbell Soup Company, has a big numerical impact.

In fact, the number of female CEOs has dropped from 32 to 24 in the past year. Why does it matter that so few women are CEOs and that the numbers are declining? One reason is that unconscious assumptions about gender determine who gets seen as leadership material when managers need to hire or promote.

In a study reported by Heather Murphy of the New York Times, both women and men almost always draw a man when asked to draw an effective leader. Murphy reports on another study where research participants were asked to listen in by phone to a fictional sales meeting. In some of the “meetings,” study participants heard “Eric” offer change-oriented ideas while other participants heard “Erika” read the same script.

When research participants were asked to rate the speaker, either Eric or Erika, on how much he or she had exhibited leadership, the Ericas were far more likely than the Erics to be identified as leaders, even though the Ericas shared the exact same ideas. Murphy cites Nilanjana Dasgupta of the University of Massachusetts at Amherst, who explains that “when people are consistently exposed to leaders, even though the Ericas shared the same profile in the future.”

In other words, even when a woman acts like a leader, her talents are less likely to be noticed or identified as leadership because the generally accepted profile of a leader is a man.

This inherent bias is why it matters that the number of women in high-visibility CEO roles in big companies is declining. Murphy points out that we need to see more women in leadership roles to expand our unconscious assumptions about who can be an effective leader.

Instead, the numbers are declining. In fact, depressingly, every female executive who stepped down during the past year was replaced by a man. Miller notes that the obstacles for female executives are rooted in biases against women in power. In fact, Miller cites two studies to make her case:

- Both women and men have familial, caregiving, and stress-related considerations that are considered to be a woman’s problem and, therefore, limits the opportunities made available to women.
- Leadership ability does not appear to be affected by gender differences. A study of 2,600 executives found no difference in multiple areas assessed, including interpersonal skills, analytical and managerial skills, and general ability.

Yet, women were much less likely to become chief executives. This problem is clearly a vicious cycle. Because we don’t see women in executive roles, women don’t get the opportunity to be hired or promoted into executive roles.

We have to keep challenging both women and men to examine their unconscious biases about who can be an effective leader. We must also continue to push for more women on corporate boards who will hopefully push for more women to be considered for CEO roles. And, we need to elect women to office where they can raise these issues legislatively.

Let’s keep asking: “Where are the women?”

By ANNE LITWIN
editor@leaderonomics.com

Subscribe today at bit.ly/subscribeLD
and get our e-mag delivered to your inbox weekly!
G

RATITUDE, honour, and recognition are so much deeper and more powerful than just saying thanks. It’s true that a heartfelt ‘thank you’ can make someone’s day. It’s a small thing that makes a big difference, but don’t sell yourself short.

Withholding gratitude

Leaders withhold gratitude for fear of creating complacency. If you say thank you too much, people will think they have arrived.

Fear of complacency invites leaders to withhold gratitude.

Freedom to express gratitude

Thank team members for behaviours that produce results, not the results themselves.

Use gratitude to affirm strengths, recognize effort, and honour desired results themselves.

Public acknowledgement

Speak well of others to others.

The next time you and a teammate run into the big boss, brag about your teammate. Let your team members hear you bragging about them to the boss, customers, and other teammates.

Continue saying thanks, but public acknowledgement is better.

Brag fest

Ask people to brag about others.

Do not ask them to brag about themselves.

Lift your team by going around the table bragging about each other.

1. What strengths do you see in the person sitting beside you?
2. What contributions are the people around the table making to this project?
3. How does the person across from you bolster a positive environment?
4. How have they developed their strengths?
5. What attitudes do you admire about ______

Honour behaviours that deliver results.
I love a good thank you, but there is so much more to gratitude, honour, and recognition. Plus, it is free.

How can leaders make gratitude, honour, and recognition part of organisational culture?

Dan Rockwell is a coach and speaker and is freakishly interested in leadership. He is an author of a world-renowned leadership blog, Leadership Freak. To connect with Dan, write to us at editor@leaderonomics.com.

How can showing gratitude benefit you? Leaderonomics CEO Roshan Thiran shares what gratitude means and how being grateful can lead to happiness in life in this podcast: bit.ly/showinggratitude

Quote: Growing other leaders from the ranks isn’t just the duty of the leader; it’s an obligation. – Warren Bennis, scholar and author

Companies are reassessing their organisational culture in order to remain relevant, with many racing to brand themselves as ‘The Place for Millennials To Be At’. Ikhwan Tharwan discusses one of the big questions currently posed by organisations: are bean bags and colourful work spaces really the answer to attracting young talent? Listen to the podcast: bit.ly/RYGMillennialsDinosaurs

For us to shift from incidental learning to intentional learning, we must first understand when we need to learn. Leaderonomics director of learning Sashe Kanapathi discusses how identifying the five moments of need can help us learn successfully. Read the article at: bit.ly/IntentionalLearning

www.leaderonomics.com | Saturday 21 July 2018

This Leadership Guide is Powered By

The Science of Building Leaders

For other great leadership insights, including those by John Maxwell, visit www.leaderonomics.com. If you missed any of our past issues, go to www.leaderonomics.com/publications and download for FREE!
THE VALUE OF DIVERSITY

How to Foster Meaningful Inclusion

Most countries these days are diverse in some shape or form. How represented or visible that diversity is, relies on active inclusion – welcoming and embracing the complexity of every human being.

Diane Richter, former president of Inclusion International said it this way: “Inclusion is not a strategy to help people fit into the systems and structures which exist in our societies, it is about transforming those systems and structures to make it better for everyone. Inclusion is about creating a better world for everyone.”

Inclusion goes deeper than political correctness or grin-and-bear-it tolerance and it is essential to growth – social, economic, and organisational.

Research indicates that people want to feel included, heard and valued, and they will go above and beyond if this essential need – to belong – is met.

If inclusion is not present, diversity may be attainable, but not sustainable. A lack of belonging negatively impacts an organisation’s bottom line through attrition – a sure-fire indication that your staff is primed to leave.

When organisations foster inclusion in their workplaces, they open themselves to new ideas, insights and learning from people who may otherwise shrink to a corner. So, how can leaders foster meaningful inclusion?

UNDERSTAND YOUR OWN VALUES AND BIASES

While it is impossible to consider all the values, beliefs, and norms of every individual at work, we can try to reflect on our own beliefs and unconscious biases.

How do these affect the assumptions we make about others and what do we project onto other people because of them?

What assumptions are you making when you interview someone for a job? What evidence do you have for those evaluations?

It’s important, as a leader, to be aware of the bias in our decision-making and a good way to start challenging this is to be reflective. It’s also equally important to create ways to reduce bias by working with the human resources department to evaluate hiring processes, policies and training so that they may foster a healthy, inclusive workplace.

LEARN INCLUSIVE LANGUAGE

The language leaders use can set the tone for how others in the organisation communicate and treat each other. Used constructively, language can reflect social and cultural diversity in a positive and accurate way rather than perpetuating negative stereotypes about individuals and groups.

This example needs to be set from the top. Therefore, it is necessary for leaders to learn the most appropriate terms when referencing someone else’s age, gender, disability, appearance, race, etc.

MAKE IT EXPLICIT

Be the “change you want to see” in your organisation. So, make your vision for inclusion clear and let it inform meetings and discussions.

This can be tricky when you – as a leader – are not part of a marginalised or less represented group. In this case, listen emphatically to others and let their experiences inform how inclusion evolves in your organisation.

PEOPLE ARE CREATED EQUAL, BUT NOT THE SAME

People have different needs based on their backgrounds, abilities and experiences. Inclusive leaders are more successful when they can see the strength in the unique qualities of each individual within their team. This also means building a flexible and agile work environment.

Inclusion is a value that is needed for future workforces. Companies that have been built on it have proven to be more successful. So, besides being the humane choice – it’s also the smart thing to do as a leader.

Louisa is currently pursuing a Masters of Development Practice – majoring in community development. She is an editorial associate and freelance writer with Leaderonomics. An extrovert who loves the outdoors, she thinks change is exciting and should be embraced.
The different belief systems and practices within single Asian families and the confusion they create

HUGHES FURTHER NOTES THAT IN HIS EXPERIENCE:

- Neither of these two paradigms is unequivocally right or wrong. There should be no question of judgement or blame involved here.
- You cannot convince an Inheritor to become a Steward.
- It is vitally important that all the siblings who are owners in the family firm can have “adult-adult” conversations about whether, as an individual, they want to be an Inheritor or a Steward.
- It is often the relationship between the Inheritor and the siblings that will determine where each of the siblings comes out on this issue.

WHERE THEY ARE ALL INHOLDERS

If all the siblings see themselves as individuals in the business, you know there is little point in attempting to get them to work together as a single family business. Family teamwork and the skills required are not an asset of the Individual paradigm.

If all of the second generation see themselves as Inholders, they may still decide to buy out the existing shareholders to maximise their personal wealth.

However, in this event they will move in a different direction from the Inholders who are working together while leaving the Inholders out of it because they fear this will imply the family is not united. Accordingly the group gets stuck.

A way to reframe this third scenario into a more positive light is to realise that a healthy family is one that can transcend the desire to be together (something the Inholders see as unhelpful) with the desire to be your own person (which is the Inholders’ want).

Signifying a family system in this third scenario could potentially be achieved if the Inholders just need to find a way to integrate balance.

WHAT IS YOUR OWNERSHIP BUSINESS?

This looks into Younger’s next proposition that members of the second generation need to be able to have “adult-adult” conversations about whether each individual regards themselves as a Steward or an Inheritor.

Before framing this concept of an “adult-adult” conversation, why should it be important for the sibling stakeholders to be able to have such conversations?

These two groups will have different goals and expectations for their share ownership. They are different types of owners.

As such, the expectations and requirements of doing things differently can be very different.

But they can also be of assistance. They are often different time horizons, risk appetites, liquidity needs, and other different expectations for how the company should be managed.

If these shareholders are not able to acknowledge their fundamental differences of viewpoint, or if they are not able to “agree to disagree” or if they are unable to discuss mechanics for bridging their differences, there will be no leadership for the family firm.

If these shareholders are frozen or in confusion, how do the directors know how to move forward?

How can you plan for the future if you are not able to see that each owner, as an adult, really wants to do?

The good news is that a group of Stewards (as opposed to Inholders) is likely to go the motivation to do the work necessary to improve the family business. Stewards are willing to work together and to adopt good family business governance structures and processes.

This includes cultivating emotional commitment to the family firm.

A MIX OF STEWARDS AND INHOLDERS

The third alternative is that some members of the second generation will see themselves as Stewards, and some will see themselves as Inholders.

The third scenario is the case where there is a mix of views. In practice, it is likely to be the most common scenario.

The danger with this third scenario is that it has the potential to paralyse the family business. Inholders or Stewards want to maximise the business value, and if there are some Inholders or Stewards, the family’s shareholders may still not be able to move on.