

New Leadership Paradigm

Has there been a week for the past five years where you have not seen a press article, a book review, a movie preview that covered extensively the human aspect of enterprises? We bet not: because the human side of enterprises had been neglected in the thirty preceding years since the second oil crisis of 1975, it is grand time for it to come forward again. Can we compete anymore on pure financial grounds? Hasn't there been an extensive criticism of the excesses that came out of it? Doesn't globalization mean competing in the best way on multiple cultural grounds, thus human concerns? Isn't Corporate Social Responsibility a prime issue for all corporations (with ISO 26000 coming soon)? Don't we need the creation of a CHO (Chief Human Officer) position in parallel to the COO and the CFO ones, thus bringing competition on an even keel between the three dimensions? And, is not all of this paving the way to a new leadership paradigm? Where is the conundrum, hence?

Human Resource, one of the three pillars for competition

Companies have three pillars to compete: technology (from product invention to the value chain to deliver it to clients), finances (from capital to debt and treasury to help it sell at the best price), humans (from the culture to the processes and the content to make it possible.) Yet, we can look at history and see cyclical focus on one of the three resources from time to time and calls for a comeback from the excesses of it. Henry Ford, in the midst of a successful financial era, proclaimed: "The highest use of capital is not to make more money, but to make money do more for the betterment of life"! Stress-related syndromes or network-centric management have brought forward the recent need to compete with human resources!

Kondratieff cycle theory reinvented

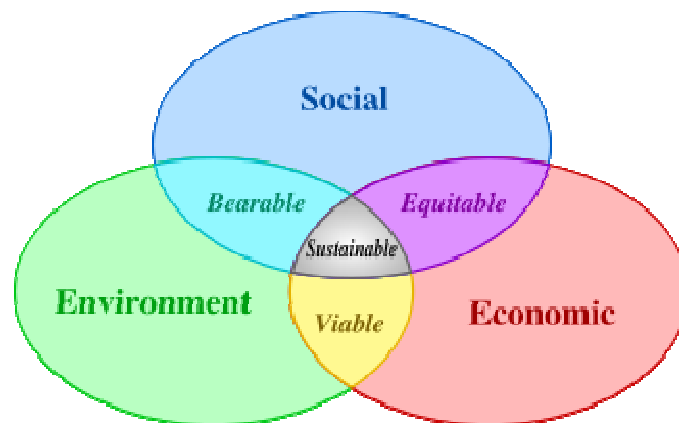
An extensive study¹ of the past two centuries has demonstrated that the three resources are brought forward by company executives as a competitive toolbox but focusing on each one of the three in a regular thirty year cycle that started with the industrial era of the late 18th century turning point in our civilization; of course, this does not contradict the Kondratieff theory which stipulates longer economic cycles, roughly 70 years long, nor does it come in the way of defining our recent centuries as nationalistic (19th), individualistic (20th) or networking (21st). We therefore, now, have to bring human competition tools forward.

Dominant Resource	Finances	Human	Technology
Nationalistic era	1795-1825	1825-1855	1855-1885
Individualistic era	1885-1915	1915-1945	1945-1975
Networking era	1975-2005	2005-2035	2035-2065

¹ Cycles Technologique, Financier, Humain ©Martin de Waziers, Sept'07

Corporate Social Responsibility, another competitive tool

Doesn't "Corporate Social Responsibility" mean proper "human respect" in the organization? What are we teaching modern leaders if not listening rather than ordering skills, influence rather than authority, participation rather than control? In fact, CSR has to do with the three dimensions of sustainable development², focusing the whole world beyond pure economics (running the house) into social and environmental issues (caring for the inhabitants), thus using human competitive tools to make humanity better! That means modern leaders should definitely set the right corporate culture, use the right tools and, before all, learn about novelties in social sciences.



Corporate Human Officer, a prime competitive tool

Whereas the silver generation had to master production techniques, the baby boomers have had to ascertain their financial skills; if the X generation is a transition phase, the Y one is clearly well-versed on human concerns, starting with quality of life; as for the internet generation, we know their propensity for information technology and social networking. CEO have successively emerged from the ranks of COO first, CFO then but where are the CHO? The advent of diversity and a better balance between men and women is one way to bring forward the proper competitive focus for the future. Peter Drucker often repeated, esp. towards the end of his life... in 2005: "the knowledge society will depend on its ability to give decent incomes, dignity and status, to non knowledge people; management is so much more than exercising rank and privilege, that it is much more than "making deals." Management affects people and their lives."³

That is the essence of our new era to remain competitive.

² **Sustainable development (SD)** is a pattern of resource use that aims to meet human needs while preserving the [environment](#) so that these needs can be met not only in the present, but also for generations to come. The term was used by the [Brundtland Commission](#) which coined what has become the most often-quoted definition of sustainable development as [development](#) that "meets the needs of the present without compromising the ability of future generations to meet their own needs." © Wikipedia

³ Managing in a Time of Great Change (1995)

Thus, a new leadership paradigm...

On one hand, if company heads have to take into account a fourth leg, adding to the traditional stakeholders (shareholders, employees, clients) a fourth one which is the social environment (sustainable development, corporate social responsibility, extending into social economy⁴ that links private and public objectives together). Whereas one could focus on cash generation, linking the client base (revenues) with capital providers (dividends), the human side is again a major focus. If it came ahead every 90 years, as the TFH cycle showed above, it seems that we are shifting gears right now on the basis of another major cycle: from agricultural to industrial to service to information, from Alvin Toffler's⁵ Third Wave to his Revolutionary Wealth⁶. If some people continue to struggle and survive, others strive to make more money, but the new wave, represented by each of us contributing to knowledge and sharing it openly (e.g. Wikipedia, Digg⁷, etc.) How do you motivate people when the stick (**to do**) is not valid anymore, the juicy carrot (**to have**) neither, and their main driver becomes their self (**to be**)?

A connected consciousness beyond borders

If we look at the current world, it has evolved in many ways towards this overall connectivity:

1. The concept of "noosphere"⁸ has become paramount. One cannot ignore the networking ability that has emerged thanks to information technology over the past twenty years. Whether you believe it is just a fad or you have espoused the whole trend, everyone is bombarded with shared knowledge and social networking. In fact, if the power used to lie with hierarchy, it now is all about information; there are the "haves" and "have not"; you can "add a friend" or "de-friend" anyone from your extensive lists.
2. The concept of generations has gathered steam: baby boomers (I must be one of them...), Gen X, Gen Y, and Gen Web (I must be lost...) Look at the quagmire and find out about the last generation; they dwell on multimedia and share altogether with their friends, no strings attached! The body has dwindled to the benefit of the mind and, even better, the soul. Try to give them a sense of structure and you get another form of structure: disheveled, all over the place but organized in their own way, yeah!
3. There used to be a time where a job meant constraints: you had to adhere to a contract, you had to be on time, and you had to devote your whole energy to the task at hand... Forget it: you are an "old fart, pardon my French!" Are we talking "job for life" or "job for fun"? If it used to be stability first, it is now "go for it and fuck the rest"... The only thing that counts is

⁴ http://en.wikipedia.org/wiki/social_economy?oldid=cur

⁵ http://en.wikipedia.org/wiki/Alvin_Toffler

⁶ <http://www.alvintoffler.net/?fa=booksdetail&name=rw>

⁷ <http://digg.com/news>

⁸ <http://en.wikipedia.org/wiki/Noosphere> Teilhard de Chardin

that I have what I want, but, if I am restless, I shall decide to quit, go “into the wild” and find my way overseas. What the heck! The world is not enough!

Principles of managing, going forward...

If we tried to be a bit controversial above, it is because we have a different bunch to look after; they are not interested in the same values as we did; shouldn't we be happy about it? Yes, the up and comers are different and may be teaching us that the world, if it is not enough, is certainly quite different. No need to keep stuck in the gutter, you need to move forward and manage this new bunch differently. These are some of the major principles that are emerging:

1. **Solidarity:** it may be amazing but humanity does it all the time as it goes round and round in circles and always comes back to the same cycles. If we went away from the whole concept of solidarity over the past couple generations, we are slowly but surely coming back to it. What do you do when you are left by the wayside but “come back to basics”? May be easy to throw the baby with the bath water but plain solidarity is quite comfortable...
2. **Collaboration:** “work together”, why not? This does not mean “bringing it altogether”! From dependency, the young generations have looked for autonomy (to a certain extent, one should say, as families have welcomed back many youngsters in disarray) but, yet, one should count on complementarities as we are not looking for individual performances anymore even though we are searching for self-development, thanks to the bunch.
3. **Balance:** like any swing, we all know that the further we reach one way, the further we are tempted the other. Yet, balance is reached when the system comes to a halt as opposite forces have brought it such. Yin and yang, feminine and masculine, night and day, we have all seen numerous researches calling for a balanced world where the opposite come together and the world becomes more harmonious, a mix of opposite bringing strength to the whole.
4. **Top management:** if we spent many years relying on the President to do it all, we then gave the CEO the main responsibility; first he was from Engineering, then he came from Finance and now... He/she is a mix of different functions where one cannot just expect the Head of the Corporation to make a single decision! The CHO, Chief Human Officer and the CIO, Chief Information Officer, have come forward and participate in the ultimate play.
5. **Professional and Personal alike:** difficult to separate both types, right? If some people have refused to move to the 24hr contact with company BBY⁹s, it is hard to make a clear cut between the office hours and family life. On the other hand, we, thus, created the individual capacity to decide where he/she wants to work, as technology (mobile and portable alike) have allowed each to stay connected and work away from the official jobsite.
6. **Wanna live (understand “want to live”):** why all this rigmarole about the environment (why the hell did we spend so much public money, gathering thousands of people in Copenhagen or Cancun, and hoping to tame Mother Nature, when we all knew this was impossible?) Kids

⁹ An acronym for Blackberry

are laughing out loud (LOL) with older generations wasting cash on that, when they used to smoke dope back in the late 60's! Time to cool down: peace and love, we use to say!

From SMART to SENSIBLE objectives

Everyone remembers the SMART acronym to talk about strategic objectives in corporate planning; no surprise it came about in the early 80's as financial capitalism was entering its growth phase! Objectives had to be Specific, Measurable, Attainable, Results-oriented and Time-bound... How about adapting this to the new era we are entering and proposing SENSIBLE objectives:

- **S**ustainable: respectful of the tripod showed above, i.e. bearable, equitable and viable
- **E**thical: conscientious, honorable and moral
- **N**etwork-supported: whether work swarms or collective intelligence, we need networking
- **S**mall: humble, small-scale, unpretentious (to alleviate the "too big to fail")
- **I**maginative: creative, enterprising and visionary
- **B**eautiful: appealing, lovely and radiant (this is about well-being in the organization)
- **L**ong-term: isn't it time to invert this short-termism driven by "cash only"
- **E**xcellence-driven: goodness, greatness and high quality

Some may say that this is a bit of a dream list but who can deny that we have created a strange world where the SMART objectives are recognized as "not so smart" in the end? Globalization is only economic, as we now have three times as many countries as 50 years ago, thus showing cultural discord galore; as for the environment (our natural resources), haven't we destroyed it slowly!

Tools to bring it altogether

The important, yet, is to have ways of helping companies and people move towards this new leadership paradigm. As all is rooted in company "culture and values" as well as "employee behaviors" that come out of them, it can be useful to start with a **cultural audit** on inherent values:

- Financial: growth, profit, long-term orientation, confidentiality or transparency
- Goodwill: Trademark, image and history, excellence, uniqueness, leadership charisma
- People: family (respect and loyalty), passion, benevolence, well-being but requirements
- Client: quality, service, innovation, conformity, listening and interest, attention
- Corporate Social Responsibility: moral values, social service for employees, gift giving

A full audit can take the form of a company-wide questionnaire managed electronically or, even better, a series of 'one-to-one' meetings with a selected number of employees representative of the organization as a whole; the interviewers have, the, to be from the outside and unbiased. They work from an established questionnaire that is developed in accordance with the established culture, yet giving employees the ability to think pro-actively at their own perception of what is required.

An analysis is performed from results that are synthesized by experts; the management team can then decide whether the current value system and corporate culture are appropriate in view of the changing environment and desired outcome. This can take the form of a seminar to extract a new **mission statement and/or company motto** that shall become a guide to any decision going forward; it then becomes a charter for **management exemplarity** going forward. It also shows the strong desire of Top Management to **listen** to employees and develop **empathy** as these two qualities are becoming more and more important in our day and age to make people feel happier at the office. But it is also a means to educate them to new values and make sure that they partake in their usage.

On the training side, technical or financial seminars have been the drivers of recent decades but we have seen, more recently, a broader need emerge, that of "soft skills"¹⁰ which typically cover the human side of the corporation. Beyond the typical selling, speaking, etc. two areas of interest have come out of the recent past: **personal development and employee relations (not just manager to employee but altogether)**, not to mention stress management which typically addresses both of these. An innovative way of presenting these would be to develop a series of **training** in three areas:

1. **Connecting individualities:**

- a. Shared knowledge, in-depth understanding of each other
- b. Singularity and diversity, going into Sociocracy¹¹
- c. From autocracy to delegation and autonomy

2. **Human respect and organization models:**

- a. From hierarchical models to transversal matrices
- b. Management and the inverted pyramid
- c. Managing your boss

3. **Self development:**

- a. A balanced life, four intelligences, from personal to professional
- b. Well-being in the organization, stress management
- c. Life transitions, cycles all the way to retirement

¹⁰ http://en.wikipedia.org/wiki/Soft_skills Emotional Intelligence, see the ANNEX work as well

¹¹ <http://en.wikipedia.org/wiki/Sociocracy> Auguste Comte 1851

If some companies have started to realize the importance of soft skills few have truly incarnated the 21st century's look for spiritual goals, life purposes, and alignment¹² objectives; some may say that it is not the company's role to train people in these areas but, when the same is asking for **24hr presence** through Blackberry or I-phone technology, can they have their cake and eat it too? A give and take is needed in these new ventures! In fact, more recent companies have addressed that overlap and offered many **ways to alleviate the blurring of frontiers**: concierge services, massages, baby care centers are now being offered by some to compensate for the daily job hassle.

Going along the above and typical trends whereby employees spend a good chunk of their work hours on personal chores (web perusal for vacations or other, personal calls, etc.), some companies have wanted to **crystallize, in their strategy, the personal time** needed for anyone to feel better; this goes both ways: makes people happier and more productive, in the end. Some have even made it the Pareto¹³ rule of work time; against **favoring innovative spirit** in the organization, Google has given employees 20% time for their own personal project against the need to report to your boss about it. Personal time and innovative balance both go towards employee happiness.

Going beyond that, it is clear that company strategies have to think **beyond the material walls** that they hope to maintain around their employees. It is not just the travelling salesman that has the 'out of bound' workplace (hotel rooms, client abode, etc.), **working at home** has become the reality for a majority of employees, thanks or damned the technology that allows it. It is not just an impediment, it is often seen as a boon: not need to call a day off because your kid needs a doctor's visit, take your job with you and games for the youth, you can patiently wait in the ward for the appointment to arrive. But, this goes way beyond the unexpected; it is now a part of daily organization.

All of this is made possible, thanks to the fact that one can travel with its own computer and files, thus making, as we said above the CIO (Chief Information Officer) **a major part of the modern organization; time to move to web 2.0** inside and not just leave it to kids on Facebook! In any case, the flood is such that one had better go along than standing across from the tsunami... **Social networking** is an integral part of company strategy from recruitment to daily exchanges inside the organization to outside perusal of product acceptance. If you are not versed into this technology, you are bound to go against the tide; just think about Wiki leaks and this gives you shivers!

Bring it altogether and you get **collective intelligence**! Wow, you have come a long way, baby!¹⁴ When it comes to intelligence, the whole can indeed be greater than the sum of its parts. A new study¹⁵ co-authored by MIT, Carnegie Mellon University, and Union College researchers documents the existence of collective intelligence among groups of people who cooperate well, showing that such intelligence extends beyond the cognitive abilities of the groups' individual members and that the tendency to cooperate effectively is linked to the number of women in a group. This links IT with diversity, gender balance, **emotional intelligence (see ANNEX for details on the topic)**.

¹² Body, soul and spirit

¹³ http://en.wikipedia.org/wiki/Pareto_efficiency The 80/20 rule

¹⁴ http://en.wikipedia.org/wiki/Virginia_Slims 1968 women's freedom, emancipation, and empowerment

¹⁵ http://www.cmu.edu/news/archive/2010/October/oct1_collectiveintelligencestudy.shtml

A new social culture

The whole world is facing a change that is tantamount to a revolution, without the social unrest that 1989 or 1968 brought forward. Yet, whether you look at the young generations' way of life (personal and professional) or the requests made by the eldest to ease their retirement, we know something major is happening; all of this is a sign that a new social culture is emerging. It is happening on the **political** front (greens moving ahead as left and right focus on the center), the **economic** front (crisis pushing further and debt levels reaching the pinnacle), the **religious** (fundamentalists taking space as churches face delusion), or simply the **environmental** front (Nature reminding us of its rules as experts ponder why it is warming up or shacking around: earthquakes, tsunamis, floods, etc.)

What should we do to adapt¹⁶ our corporations? First, **inform** employees of the desired evolution: unions, personnel and management altogether on the same wave length! Second, **train** them though a reformed program, that keeps technical matters on the curriculum but focuses more energy on the soft skills, including more people-driven issues like the ones we have seen above. Third, **develop** them with a focus on accompanying personally individuals of talent; this also means identifying needed competencies and helping their emergence from recruiting, to evaluating and rewarding them, in order to keep the company on the innovative front.

An image is worth a thousand words! Let us propose the following "table of means" to achieve it:

DIMENSION	IDENTIFICATION	STEPS	MAINSTAY
Personnel in Evolution	Yearly Evaluation and Competency Review	Internal Evolution or Exit Decision	Helping Hand in a Close-by Future
« Talent » & « Fast Tracker »	Talent Review on Expertise and General	« Fast track models » introduction	Fast Trackers' Mentoring
Company Culture	Culture and values (with 360° reviews)	Cultural development tools and practices	Cultural Audit and Coaching

Often, companies have put in place the identification and the tools indicated in the first column; what lacks comes in the second and third column, whether because these programs are disseminated in the organization or whether they are lacking altogether. Is it an issue of time disposal or plain interest? Is it an issue with prioritizing? In any case, **productivity** could be greatly enhanced if there was more focus put on the employee, whether because he/she feels more involved or whether the company can, thus, better manage its workforce; both gain from this.

Personal development is not just a fad; it is a growing need that goes well beyond the popular titles that have grown in our bookstores. It is easy to put in place, as long as one remembers that its main stay is based on listening skills, empathy and energy, all three dimensions much deserved in a world that has gone deaf to suffering. On the mainstay front, the first line requires a simple HR support

¹⁶ "It is not the strongest, it is not the most intelligent that shall survive but the most adaptable to change!" said Charles Darwin in his well-known "Theory of the Evolution" back in the mid 18th century.

program; the second one can be organized through an internal mentoring system with people aligned according to their common interests; as for the third one, it becomes a collective intelligence coaching program, conversely to the 80's when it used to be Top Management's private ground.

Work has lost its protective standards; unemployment is at the highest ever and we may not have seen the worst yet, even though we boast when a few thousand jobs are created for millions of people crammed in urban centers... The old time of **pay scales** linked to job content and years of experience is way past; we now have to think of systems that reward **the job done** for base jobs, adding **team results** as we progress in the organization and, finally, **company results** for Top Management (by the way, there has been enough of these ludicrous pay schemes for people at the top, even though this may be the most difficult to change in the current environment!)

So, where is the conundrum?

The real issue today is between people, **connecting** them again through every means possible. Without trying to do kitchen psychology, we have to create more opportunities for employees to exchange, whether on a personal front (HR, mentor, coach) or on a professional front (brainstorm, quality circles, conferences); people need to feel the link amongst themselves and with their bosses. Without going into the excesses of trying to solve every bit of difficulty we each face in our lives, we can facilitate daily stresses with some quality time spent just listening to each other, feeling part of the same team and adhering to the same values, thus pulling productively towards the same goal.

In French, the leader or manager is often referred to as a *patron*, a word whose origin is *pater* in Latin or the father figure. Not to mention "boss" whose origin goes back to Pilgrims' arrival in America, we have long lost the only "male" reference. But, this goes back to **complementary natures of man and woman characteristics in organizations**; today, it is paramount to balance the paternalistic view with the mother figure, especially as enterprises have lost the plain nourishing image. That is to say, use the stick and the carrot, authority and sensitivity, smart and sensible, etc. Like any family, we need both parents to raise the child at best. Round in circles, back to basics!

With the Renaissance, we opened the road to **humanism** but we all know it was mostly based on reason, thoughts and logic. How about the 21st century, birthplace of the knowledge industry and the connected world? Can it bring forward a revival of humanism with a new dimension based on love, feelings and emotion? This is where we can open up to the other side of our intelligence; after the IQ, there is the "EI" or emotional intelligence (see the ANNEX for more details). Companies have touched upon "EI" over the past ten years but a lot remains to be developed to get employees to feel fully taken into account as individuals. We call for a balanced humanistic approach: reason and love!

It is reassuring to see that **you find the same in academic research**. Good bosses face 3 Imperatives in becoming a great leader as they endeavor to manage their **networks**, manage their **teams**, and manage **themselves**. Harvard Business School professor Linda A. Hill wrote a sequel to her first book of 1991, "Becoming a Manager"; in *Being the Boss*¹⁷, she describes the new challenges. In short, being a good boss is about much more than wielding authority; this is what we have tried to show in this working paper... We hope this helps the business world understand and face this new challenge!

¹⁷ <http://hbswk.hbs.edu/item/6573.html?wknews=01182011>

ANNEX: EMOTIONAL INTELLIGENCE IN THE WORKPLACE, ©Martin de Waziers, Rhodes 2002

Wherever one looks, the demands on emotional intelligence are prime. Whether you are in industry or finance, whether you are in private or public circles, whether you are in business or family, we all require much more attention to our feelings than before. So, what is new about this topic? Why should we suddenly focus our attention on it? Is it a new fad? Is it the new management tool that is making millions of dollars for teachers and consultants? NO, it is our new world...

What is emotional intelligence?

Four fifths of the major world corporations are today focusing more attention on the emotions of their employees. Is it that they are providing psychoanalysts to the staff? Of course not, as this is not what companies are all about. It is just the mere reasoning that a “happy employee” makes better widgets than a sad one. Without getting into what is happiness, we shall therefore try and define the world of “emotions” in opposition to the world of “pure intellect”. Beware, intelligence is most complex and I will just draw on the work done by Psychologist Howard Gardner¹⁸ who identified seven types of intelligence (linguistic, mathematical, kinetic, spatial, musical, interpersonal, intra-personal) to which he added an eighth one in 1996, that is the naturalist (how could he not, then, include the environment?)

A few generations ago, the only intelligence (from intelligere, to understand) that led to business was “pure intellectual”, that is the first two kinds noted above: linguistic and mathematical. But, as time passed, we started putting emphasis on other forms, without understanding them. Leaders (who have always had more than basic intelligence) knew it well but did not put words. It took years for David McClelland¹⁹, a renowned Boston psychologist and professor, to identify, in the 40’s, the three major needs that affect motivation in organizational behavior: achievement, affiliation, and power. Then, from the 70’s onwards, one of his students, Daniel Goleman²⁰ helped businesses understand what they were facing by putting in words the basic theory of “emotional intelligence (EI)”. In summary, and I shall refer people back to their respective work for more details, EI is composed of five sub-groups, three relating to emotions (self-conscience which leads into self-confidence; self-control which helps daily work; motivation which encompasses initiative and optimism) and two relating to society (empathy which helps understand the other; social aptitudes which are composed of communication, teamwork and cooperation).

Now that the world has become more aware of these dimensions, we can say they were always around and we would be wrong otherwise; what is important is having put words around the hidden concepts and focused leaders and employees alike to take full consciousness. We live with our personality (from persona, an Etrusque word meaning “theatre mask”), hide in our stale role or agree to improve, but this, in and of itself, is a mark of our EI. The same way, you can live with modern medicine only, hence throwing out all aspects of energetic and soft medicines, thus throwing out ancient wisdom. Our world goes through cycles and has to relearn basic tools, in this case: how to

¹⁸ <http://pzweb.harvard.edu/Pls/HG.htm>

¹⁹ <http://www.mcclellandmedia.com/psych.html>

²⁰ <http://www.eiconsortium.org/members/goleman.htm>

use more than our brains but also our heart... plain and simple be courageous! What a difference between what the “old European world” has done with formal intellectual education and what the “new American world” has reformed with the case method; as a product of both, I thank them for the complements one has brought to the other.

When did the recent movement start and why?

As I mentioned above, it started in the 70’s. Following the 1968 social unrests and the realization that a new era was dawning (the famous Age of Aquarius), everyone was looking for ways to become more emotionally-conscious, without putting words on it. The leaders of the 70’s came up, among other things, with the Equal Employment Opportunity Act (EEOA) in the US to make the workplace more human and emotionally intelligent. Soon after, the 80’s brought us the explosion of financial markets and the need to please investors by improving productivity; backlash for emotions, except the stress inherited... we needed “authority and metrics” to guide people. Cycles continue and the 90’s brought back reason to companies in the turmoil of mega-mergers; they, then, started moving towards creativity, motivation and appropriation of change, thus institutionalizing “EI” techniques.

As this new millennium has started, we have clearly established the need to manage chaos and ongoing change. What has happened is the evolution of the universe from an era of material acquisition in the 80’s to active control in the 90’s to an opening into spiritual blossoming in the 21st century. There are many other dimensions we can put in parallel. Among others, I like to say that, after focusing careers around plain competencies (diplomas, professional experience, identifiable metrics), we went through a period where we were more conscious of our clear desires to define our career objectives; ask today if young kids pay so much attention to competencies or desires... they have switched recently back to basics and companies have to adjust to candidates that explain they have specific affinities like the environment, their well-being and psychological health; look at the recent Shell Corporation advertising campaign! I have met more than one youth that said to me “I am in no rush and I will choose the one place that makes me feel comfortable and happy”.

An interesting parallel that has to be drawn on these three decades is that of the information revolution? We all know that communications technology is a building block of an integrated world; the 80’s saw the first PC’s, the 90’s the Internet and the 21st century the interconnected world with mobiles and portables galore. Just look at the financial markets and you can witness the world has switched to “networking and influence”. We have accepted that there is no need to “appear and appeal” anymore; we need to communicate and be connected; we spend more time individually on our own but hooked onto the IT world... One more reason we need compensation on the emotional side! We may reduce the working hours, like in France, but we need to give more thoughts to our feelings. In a way, paternalistic environments used to give unconscious answers to our “EI”; modern environments need to pay more “attention”, by specifically addressing the questions. Finally, the financial and economic chaos has prompted more traumatic change, more competition for human resources and yet fewer jobs, more concern all the way around for our “raison d’être” and a quest...

How do economic actors respond to the EI requests?

Supposedly four fifths of major corporations have decided to respond to the “EI” needs of their employees to date; our first intuition calls for much less of a proportion. Yet, it has been more a question of making these changes clearer and, rather than advertising the full-fledged approach to

“EI” in the workplace, most companies have felt compelled to go for it but just tiptoed into the topic. Needless to say, it is far from obvious to go about it; they all have to face trials and errors in the field, as it is far from natural for them! On top of it, we are in a global world and most companies have to adapt their schemes to very different cultures with their specific national upbringing and educational standards; try and talk about the “méthode Coué”²¹ to other than the French crowd and you will find yourself at a loss... Yet, it happens to be the discovery of the placebo effect and positive affirmations.

It turns out that there is resistance to change and global empires trying to instill new management methods have to go through complex processes of appropriation. Take “diversity programs” which are aimed to bringing minorities to be accepted in the workplace; we mentioned above the “EEOA” in the 70’s; it took until the late 80’s for it to become an established habit for US companies... Not to mention going overseas with it, like this US Corporation with global reach who took until recently to instill the program in its French venture, through a complex project management finding incredible resistance to implementation. If we know the French can be skeptical at first hand, one can understand the issue and therefore the importance of bringing things smoothly; it is all about emotions, right? So, one step at a time, please!

Crédit Agricole Indosuez (CAI)²², a global investment bank, is part of the Crédit Agricole Group (CAGR), one of the top ten universal banks. CAI has branches in around 70 countries in the world and multiple connections to partly-owned companies, full-fledged subsidiaries as well as its own group; yet, as is often the case, CAI has a majority of its personnel in France where headquarters are. With the arrival of a new HR management team, it decided, some three years ago, to start and implement a set of stepping stones to “EI” management. It took some years to plan, define, organize, and make sure employees accepted the techniques, then run the different programs to fruition, understanding only part of the work has been done so far. To summarize the program in “EI” management, we will identify three major areas and discuss other aspects and issues.

What steps did CAI take in establishing “EI” management?

Promotion and Career Management (PCM) If we talk about the needs for “achievement, affiliation and power”, the economic world has been responding and establishing standards to ensure positive feedback on the first and second characteristics, as well as career steps to move the most prominent members to better-suited power positions; by the way, this does not necessarily mean on the up-and-up but also in “side functions”, a feature of “EI”. By adjusting the bi-yearly performance evaluation process and making the evaluated traits better suited to fit the “EI” evolution, it has voluntarily addressed the need for the bank to have people more emotionally-astute; forcing the manager to take time and evaluate the individual beyond pure financial results, one raises the “EI” understanding while helping the employee to react and fill emotional voids, therefore raising productivity, a nice virtuous circle! Then, as an additional tool for “personal development” called the “360° review” (a process by which one is rated anonymously by subordinates, peers and managers on a series of “EI” management items), CAI goes beyond performance evaluation and gives

²¹ Emile Coué was a French druggist, in the late 19th century, who, through placebo effect, created positive thinking by telling his clients to repeat, day in day out, "Every day, in every way, I am getting better and better."

²² CAI, merger of “Banque Indosuez” with the “Crédit Agricole” investment banking activities in the 90’s, further merged with Credit Lyonnais in 2003 to become Calyon, is now Credit Agricole Corporate and Investment Bank.

employees the chance to review their style and develop themselves into better people. Talent reviews lead to selecting those that have clearly shown capacity to respond to the needs of CAI which then caters special training sessions for junior and senior members in order for them to better understand CAI. Finally, a management training program called Harbridge™, aimed at all senior people, focuses, in part through introspection, on understanding oneself and using tools to better manage others.

Training, Mentoring and Recruiting (TMR) If paternalistic companies have naturally, in the past, catered to training their employees through daily education on the job, bigger companies and global banks have institutionalized the process by providing a series of training courses. Where the past focused on professional techniques, CAI has revamped a number of classes to respond to “EI” needs, including the management of change, the understanding of the group, teamwork and initiatives, etc. Beyond that, it has launched a program of mentoring which consists in helping the younger members of the bank understand the place, face tougher times (in current financial markets, with stress and workload) and make career decisions; by giving a chance to the younger recruit to get answers, you do not displace the HR listening role but just add to the venting off of questions and possible frustrations. Finally, recruiting is key at a time where the age pyramid moves dangerously and young kids are harder to get, we said earlier that you should better offer an “attractive recruiting” process. No more companies wait on the sidelines for recruits to call or, when called, give a boring interview and a few tests; recruiting is about selling the company in face of tough competition, appealing to the recruit and building enthusiasm around the name. This means also appealing to “EI” and showing that a job at CAI is more than just a job, it is an exciting venture that caters to all of your needs; and the job of recruiting does not stop here... it then leads into an exhaustive Welcome Program to better understand CAI through internal sessions.

Top Management Leadership (TML) If any organization is the sum of its human resources, top management has to play a key role in instilling in them the right mix of performance standards, professional competences, and personal traits to get the most out of them; this includes their own adherence to very high values that they must have people stick to and this is what is otherwise known as Corporate Culture. CAI had never before defined its values but, through a thorough analysis of its people, questionnaires sent out broadly and top management meetings, CAI was able to come up with six tenants of its culture which, if they were part of the system, had not been clearly communicated and adhered to: “Win Clients by Focusing Together on Results, with Integrity”. If communications is a key to proper HR management and especially “EI” development, a top manager has to make it a personal mandate to use it regularly, whether through verbal or written form; if too much information kills information, that is not so in matters of “EI” as there is never enough proper dissemination of “EI” development techniques. Finally, a company is like a sports scene, one needs coaching; with the development of this management tool in recent years (even though it dates back to the early 80’s), CAI has allowed more top managers to have their own personal coach to make the best out of their own abilities as well as their teams. What we learn is that a management team is best when varied and complementary but basic values, especially in “EI”, have to be the same.

What other aspects and issues arise from managing EI?

On 11 September 2001, CAI lost 69 of its employees in the WTC disaster. Needless to say, it sounds so obvious that a company like ours would respond promptly to the sorrow of employee families as

well as the Group as a whole, and yet, it takes an emotionally intelligent top management to do so. CAI immediately set up an internet base for employees to share their feelings; at the same time, it gave families psychological support through the help of professionals. Then, after a few days, it had memorials in both places: New York and Paris headquarters. Finally, it launched a gift giving drive for the victims' families; even though emotions are prime, one has to remain down-to-earth in solving the immediate financial concern raised by people loss.

On a very different "EI" topic, CAI creates an environment where celebration among employees is an important element; you can work together but you have to celebrate results. This allows for a better sense of ownership, humor and friendship in the workplace, enthusiasm and pride in the company. If this is institutionalized, it is something that everyone does at its own level and place; recognition is a key and shared feelings are prime to establishing a common sense of belonging. Finally, rather than have a stringent clothing code, CAI set up a "week casual wear" in financial markets sales and trading rooms in a number of places; this allows employees to feel more relaxed about going to work and have less of a dichotomy between personal and professional spaces, another tenant of "EI" management. A number of us wear the logo on our polo shirts as a sign of belonging and pride.

What may be the most difficult in "EI" management is taking care of cultural differences in a global environment, diversities in personnel (and not just upon recruiting under the EEOA), merging personnel from multiple backgrounds and sharing culture anyhow (CAI is a merger, over thirty years, of five original separate staffs from around the world). All of this makes the "EI" environment that much more difficult to organize. Yet, an organization that is conscious of "EI" will take the time to cater to differences and allow each one of its employees to find personal listening and comfort.

Finally, in a world still dominated by material values and where the workload has increased tremendously, the daily chores have become less autonomous, the financial compensation has become scarcer, the teamwork less important with pressure and value conflicts more numerous, "EI" is more important than ever to focus on and cater to. The CAI philosophy shares equally its financial and human resources concerns, focuses tremendous time on bringing people together (not just through good words), communicates freely and actively, sets up proper cooperative attitude even though historical silo management had gone counter in the past. CAI means what it said: "Win Clients by Focusing Together on Results, with Integrity".

So, is EI that important to the workplace?

Napoleon said that true leaders sell hope all day long. Erasmus said that the best hope comes from the proper education of our youth. I will add and conclude that a company is truly responsible to its stakeholders (clients, employees and investors alike), not only through its ethical conducts and integrity (we have seen the recent disasters which affect the whole world), not only through its environmental and social endeavors, but foremost through its participation to the educational pursuits of the countries it is in.

Then companies can say they show **respect** (from respicere, to look) to the place but our experience shows that it takes **faith** to get the change going, will to pursue endeavors daily and **love** to cater to the employees and make sure that we set the right place for them.