

The **4**
Leadership
Traits of
**Connected
Companies**

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The last 12 months have put an extraordinary strain on businesses. But out of this crisis has come an opportunity for a new kind of leadership. One that, in the words of HR analyst Josh Bersin, represents a shift towards “empathy, compassion and understanding.”

This shift is founded on the idea that Employee Experience (EX) should be at the heart of business strategy. EX is how companies create a more meaningful experience at work and a more meaningful experience of work for employees. Its goal is to make companies more connected.



We saw this throughout the pandemic. According to one survey, 90% of companies said their culture improved while working remotely¹, because leaders were so focused on care and community.

Let's make this the 'new normal'. Let's not go back to a world where 58% of people weren't satisfied with their day-to-day work². Let's turn the role of Chief Executive Officer into the Chief Empathy Officer. Permanently.

After all, COVID-19 has simply accelerated a transformation in business that was already happening.



Creating Connected Companies

Nobel Prize-winning economist Milton Friedman observed that ‘when a crisis occurs, the actions that are taken depend on the ideas that are lying around.’ Creating connected companies is definitely one of those.

You don’t have to go far to find the tipping point. On August 19, 2019, The New York Times published an unexpected headline: ‘Shareholder Value Is No Longer Everything, Top CEOs Say’.

**“When a crisis occurs,
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Milton Friedman
Nobel Prize Winning Economist

The Times was reporting on a new statement from the Business Roundtable, an association of CEOs from US businesses that collectively account for 15 million jobs and over \$7 trillion in revenue. It includes almost all of the iconic figures of American business from Tim Cook and Jeff Bezos to Mary Barra and Jamie Dimon.

These captains of industry released a statement that could have been crafted in a late night session on a student campus rather than the sober corridors of corporate America. ‘The American dream is alive, but fraying,’ wrote Dimon, Chairman and CEO of JPMorgan Chase. ‘Major employers are investing in their workers and communities because they know it is the only way to be successful over the long term.

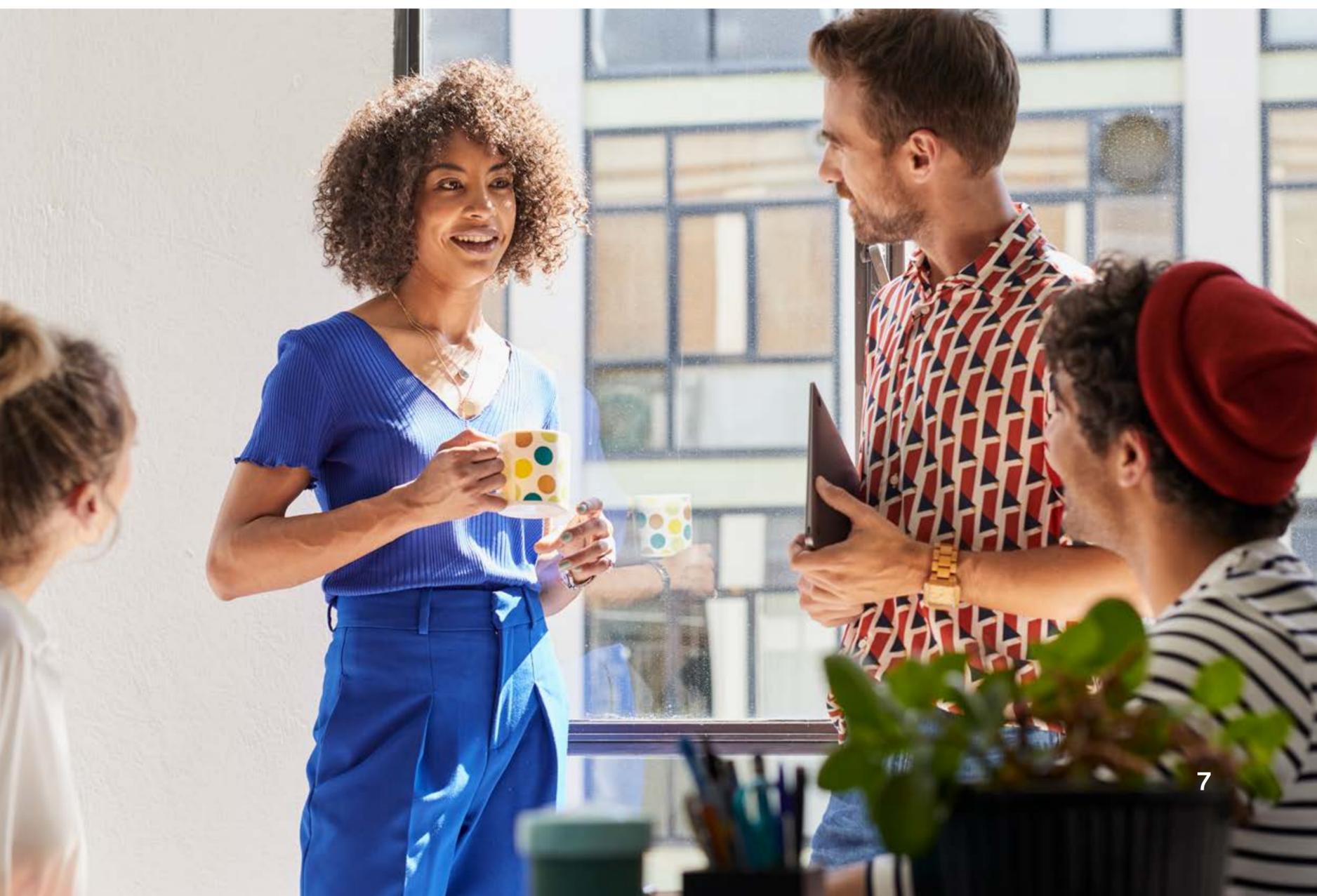
‘This starts with compensating them fairly and providing important benefits,’ the statement continued. ‘It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.’

Community. Dignity. Respect.

The Business Roundtable crystallized something in the air. A quiet revolution in the world of work which, until that moment, had been largely overshadowed by the much noisier revolutions in productivity and innovation.

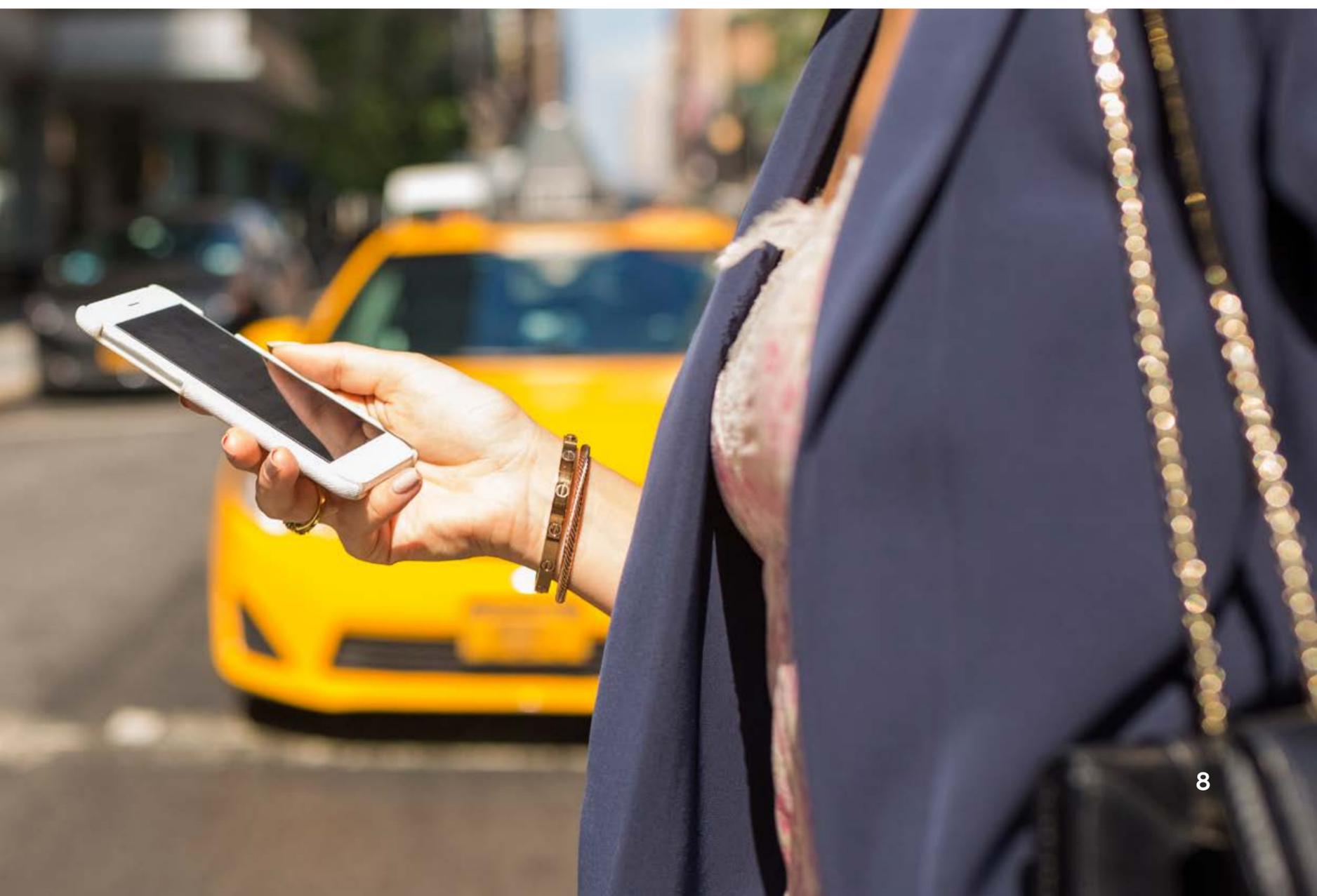
The world's most profitable companies are saying that their most valuable asset isn't their IP, their algorithms or their influence. It's the people who show up to work every day because they believe in what they do. So they're reengineering their businesses around those people.

How are they doing this? By building connected companies that cultivate purpose and belonging. Because when people feel better at work, they do better at work.



We believe that one day soon every company will be a connected company in the same way that every company is now a digital or mobile company. COVID-19 is simply the catalyst.

In the last 12 months we've learned a lot about what it takes to lead a connected company through our conversations with Workplace customers. From those conversations we've compiled four traits that any leader can start to develop right now.



Lead with Purpose

The first and most important trait is to lead with **purpose**. Ben Crowe, an executive mentor and performance coach, describes developing a sense of purpose as a shift in focus from achievements to fulfillment.

It's the difference between thinking about what the world will read on your resumé to the things it will say in your eulogy.

When you lead with purpose, you give people a reason to care that speaks to them in a much more meaningful way than profit and loss. It's how you help someone whose job is to fly a kite imagine a rocket.



It's also what people want: **87% of millennials** believe that the success of a business should be measured in terms of more than just its financial performance³. People want to care. They're looking to their leadership to give them something to care about.

We saw a great example of this recently from **Telefónica**.

Telefonica

In July 2020, Telefónica's Chairman and CEO, Jose Maria Alvarez-Pallete, posted a video on Workplace asking employees what they would do if they could spend a day in his shoes.

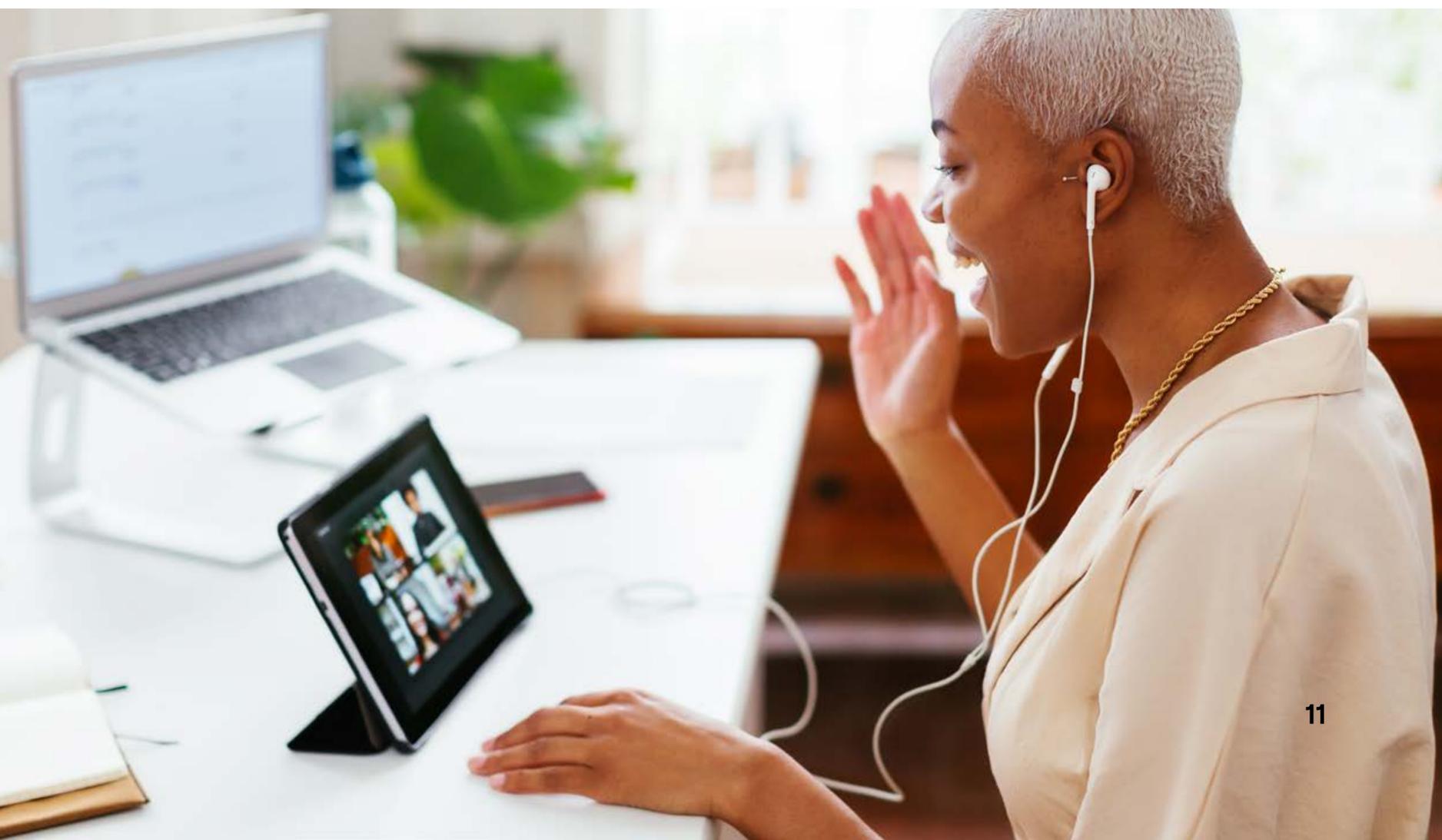
He received over 1,000 replies, all of which were delivered to the company's Executive Committee, which went on to consider them as part of its new strategic direction.

Inspire Trust

The second critical behavior that connected leaders display - and inspire - is **trust**.

In 2019, the annual Edelman Trust Barometer found that 'my employer' was people's most trusted institution - over the likes of media, government and NGOs. But the pandemic exposed some cracks. By May 2020, the Barometer reported that only 38% of people believed businesses were doing a good job at putting people before profits during the pandemic⁴.

The latest account shows some signs of recovery - business is once again the most trusted institution, at 61% globally⁵. However, CEO credibility is at an all time low in countries from France to Japan.



Clearly, there are larger forces at work here. We can't talk about trust without talking about transparency. It used to be that corporations were black boxes: Secretive, even sometimes paranoid. Now it's changing. Those black boxes have become glass boxes, where everything from supply chain logistics to diversity to climate impact is open to scrutiny - both internally and externally. Meanwhile, 86% of people expect CEOs to speak out on public issues⁶.

That's why connected companies communicate openly and with everyone. They default to transparency, and make sure employees are the first to hear important news and announcements.

Coronavirus has given leaders an opportunity to step up. Now more than ever, trust will be won (through open and explicit communication that emphasizes compassion as well as resilience) or lost (through the failure to be transparent or take responsibility for hard decisions).





“Having Workplace has made it so much easier for us to stick to our principle of ‘inside out’ – letting our colleagues know what’s happening before things hit externally, increasing trust and in turn, advocacy. Sometimes we have a matter of minutes to reach our people – Workplace allows us to do that, and do it well.”

Helen Willetts

Director of Internal Communications



Be Authentic

This leads us to the third behavior of connected leaders. People can only trust someone they know. Which means leaders need to have the courage to be **authentic**.

Increasingly, leaders are being asked to give an insight into who they are away from the office. Because employees may respect the professional image of their leaders, but they can only connect with the real person.

That means allowing people to see more than just the job title. It's about letting people in in a way that might at first seem uncomfortable, and embracing the vulnerability that's inherent in connection.



Mindy Grossman is the CEO leading **WW** (formerly Weight Watchers) through a major transformation, turning a half-century-old institution into a connected community. And she's doing it by opening up like never before.

“You can't expect people to galvanize around you if they don't understand your motivations, who you are as a human being and if you're authentic,” she told Workplace. “We're all going to have highs and lows. You have to be willing to be transparent in both cases. That humanizes you, and really elevates that authenticity to another level.”



For Mindy, that means posting images from her travels or her home life on Workplace, right alongside company news and announcements.

HONEST
BURGERS

For Tom Barton, founder of UK restaurant chain Honest Burgers, it meant using Live video to lead the company's daily yoga sessions from his front room during lockdown.

Be Honest

Whether you're leading with purpose, inspiring trust or revealing more of the real you, the thread across all the leadership behaviors we see in connected companies is **honesty**.

It may be true that our greatest growth comes from our hardest times. In that case, the things we've all experienced recently are an opportunity. But only if we're prepared to ask ourselves the hard questions and face some difficult truths.

What kind of companies do we want to create? What kind of leaders do we aspire to be? Do we really believe in being connected? Do we want to put our people first?

We can change all of these things, but the first thing that has to change is our mindset. If we can do that, our actions will take care of themselves.

“That is a cultural shift and for some people it has been a challenge. But our frontline people and those who have historically been difficult to engage with because of our bureaucracy have enjoyed that interaction a lot more.”

Katarina Carroll APM

Commissioner of the Queensland Police Service

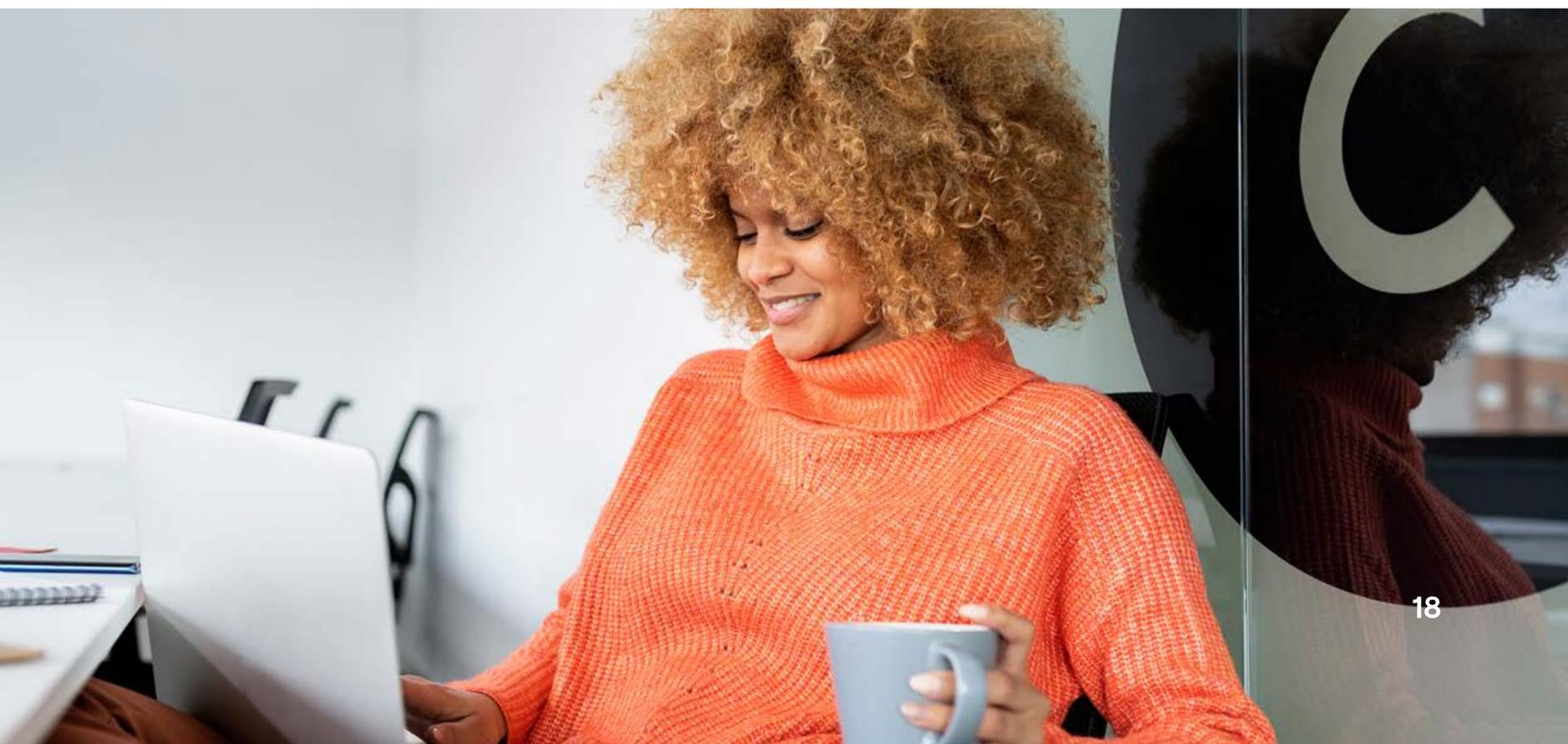


Make The Right Choices

Remember, none of these things are new. Purpose, authenticity, trust and honesty are the ideas that are already lying around.

What will be new as we emerge from this painful period of isolation is the intensity of expectation on leaders to deliver or embody them.

Like the song says, you don't know what you've got until it's gone. It was only when their work communities started to dissolve that millions of people realized how dependent they were on those connections. As they return to work they'll do so with a single demand: That their leaders do everything in their power to strengthen and reinforce them.



It's in our power. Whatever we'd like to believe, change starts at the top. It takes leadership to shift the trajectory of a business and normalize behavior.

The choices that face us in a post-pandemic world are simple: Not whether to become connected companies – but when. Not if we should put people at the center of our businesses – but how.

Sources

- 1 Willis Towers Watson, 'Deeper Dive into the Employee Experience Implications of COVID-19', April 2020
- 2 Deloitte, 'Global Human Capital Trends', 2019
- 3 Deloitte Global, 'Millennial Survey', 2020
- 4 Edelman, 'Trust Barometer Spring Update', 2020
- 5,6 Edelman, 'Trust Barometer', 2021

