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SUSTAINING SUCCESS: THE WINNER'S CURSE

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Impact of Globalization

The intense competition spawned by globalization during the decade of the 90s has caused every business enterprise to search for opportunities to improve its overall efficiency. Some of the methods and techniques that have been employed for this purpose include:

- Implementing total quality management programs.
- Re-engineering horizontal work processes.
- Empowering employees.
- Eliminating layers of management.
- Reducing the number of staff.
- Enhancing service.

As we approach the end of the decade, many businesses can document improvements in:

- Operating efficiency.
- Cost structure.
- Customer satisfaction.

Winner's Curse

But if the decade has produced one universal realization, it is that success no longer carries the degree of permanency it once did. No matter how good today's performance is, it must be made better tomorrow. Continuous improvement is no longer an elective or

programmatic undertaking—it has become a mandatory and unremitting element of sustaining success. The reward for clearing the performance bar is to have the bar raised. There is simply no time to relax, or to rest on one’s laurels. In short, the only thing harder than winning is remaining unbeaten—and even the *best-of-class* organizations are subject to this *winner’s curse*.

Yet, this ongoing pursuit of excellence requires a level of effort, discipline, and perseverance that does not come naturally for many people. However challenging these demands are for the management of an organization, they are, understandably, more so for rank-and-file employees.

Over the last decade, many a manager has heard the plaintive cries from subordinates:

- “We have already given you the extra effort you requested—now you want more?”
- “We can’t keep this pace up! When will it stop?”
- “Will we never be good enough?”

Despite the stress and disillusionment reflected in comments like these, executives everywhere know they must continue to push for ever-greater productivity to remain competitive.

Management Challenge

This, then, is perhaps the greatest managerial challenge of the 21st century: Stimulating within the workforce a willingness, even a desire, to strive for excellence, while simultaneously coping with the inevitable stresses and strains that accompany the constant stretching for higher goals.

Though managers must be the relentless driving force behind better quality, lower costs, greater efficiency, and improved customer satisfaction, they must do so without leaving a wake of human carnage:

- ***How can managers ratchet up performance without bullying people or pushing too hard?***
- ***How can managers constantly stretch people without breaking them?***

In large part, the answer lies in creating a *strive-for-excellence* organizational culture. High-performance standards must be balanced with clarity, fairness, support, and encouragement. If success is to be sustained, people must be pulled along rather than pushed.

The observations that follow are based on my personal experience as a business executive, a management consultant, a longtime student of organizational behavior, and on anecdotal accounts published in the popular business press. Perhaps these thoughts

will provide some insights for practicing managers, and a framework for future research on *the winner's curse*.

Sense of Purpose

Creating a *strive-for-excellence culture* begins with the organization's purpose. Management's first responsibility is to determine the organization's fundamental reason for being, and to articulate it in simple, unambiguous, easy to understand language. Whether it's called a goal, an objective, a mission, or a vision, followers want their leaders to identify the purpose of their work and the path to be taken in achieving it.

Most people want to achieve some meaning and a sense of accomplishment from their work. An overriding sense of purpose entices individuals to commit to something larger than themselves, and becomes the glue that holds everything together. At the individual level, purpose is incentive. Lacking a compelling purpose, individuals have little reason to invest additional effort in the task at hand.

The organization's purpose must also be strategically sound, providing a relatively secure employment environment. A *strive-for-excellence culture* does not require lifetime job security—but people must have some confidence that if they perform as asked, there is a reasonable prospect of continued employment. Management is responsible for thinking ahead and developing creative solutions for the inevitable business downturns. While there are rare circumstances where severe dislocations may create the unexpected need to eliminate positions, most staff-level adjustments should be handled through disciplined headcount control and re-training programs.

Cultural Values

Tapping the full potential of every individual within the organization requires that the following values—at a minimum—must be woven throughout the entire fabric of the organization:

Respect. Everyone in the organization, regardless of rank or level, must be treated with dignity, common decency, and civility. People should not be seen as cogs in a machine or process, but as individuals who have personal goals and a contribution to make to the enterprise. Managers must develop personal relationships with the people around them and work to establish trust. There aren't many people who will go *the extra mile* for someone they don't respect.

Credibility. Credibility is the coin of the managerial realm and one that is not easily minted. There is nothing that can be spotted more quickly than feigned, deceitful, contrived, affected, devious, or deceptive actions. Credibility can only be built over time by managers who are unerringly dependable, reasonable, and honest. It begins with simple acts like sharing information (even bad news), admitting and correcting mistakes, and listening to employees. Few people will

long endure the relentless pace, much less become fully engaged, if management is not believable.

Commitment. Managers must demonstrate *their* commitment before they can expect followers to commit. Managers do so most quickly through example—by being unwavering in their responsibilities and obligations, doing more than their “fair share,” and never asking the people around them to do something they themselves would not do. Repeated displays of a manager's *bond to the cause* moves even the most recalcitrant employee to do the same.

Equality. The most effective managers are those who do less to set themselves apart from others, have fewer rather than more privileges of rank, and share the same pain as those below them. They involve many rather than few in everything they do. They try to make everyone—not just the key players—feel important. The perception that “We're all in this together,” creates a genuine sense of *team* that keeps every individual from letting other team members down.

Individual development. The group, the team, the organization can be no stronger than its weakest member. Personal development must be highly valued. People should be encouraged to get involved in new things, to develop new skills, and to acquire more responsibility. In doing so, they should have the opportunity to make more money. Individual effort should be recognized, and individual performance must be rewarded. Not only will this be a “boost” at the time, but it creates a psychological reserve on which individuals can draw when things aren't going so well.

Organizational Characteristics

Organizations that have demonstrated an ability to sustain success share several common characteristics. They:

- Keep organizational structures simple, reporting lines clear, responsibility whole, and accountability unambiguous, resulting—paradoxically—in an unobtrusive structure that is distinctly directive.
- Preserve structural alignment making sure all units orient their plans and actions toward the organization's purpose.
- State their ultimate objective in *relative* rather than *absolute* terms, letting everyone know it is an on-going challenge, not just a short-term project.
- Create a few, uncomplicated measures of superior performance that become the focal point for planning, resource allocation, and decision making.
- Support collaboration by removing obstacles to cooperation, replacing fences with bridges.
- Recognize people, showing appreciation for the progress that has been made, and reward them on an individual basis in proportion to their contribution.

- Pay attention to what some might call “creature comforts” knowing that an army is more favorably inclined toward a long march if they’re wearing clean, dry socks.
- Reinforce the organization’s culture, establishing, teaching, and maintaining the organization's primary philosophy and values.
- Maintain open channels of communication (both laterally and vertically) making it easy for anyone with an idea or suggestion *to be heard*.
- Value ability and contribution more than one's position, and encourage everyone to challenge the way the organization operates.
- Celebrate milestones, pausing in some way to let everyone enjoy the satisfaction of accomplishment.
- Create a strong sense that belonging to this group is special, causing people to feel great pride in being part of it.

Managerial Practices

But these organizational characteristics are not enough. Managers must build-up people’s resilience to the continuous stretching by:

Creating a center of gravity. This *what we are about* core is at once a foundation, a cohesive force, and a critical mass. It provides identity (*who we are*), definition (*where we are going*), stability against environmental turbulence, and the energy to launch initiatives. Maintaining a tight focus concentrates effort on priorities, minimizing unproductive and counter-productive activities.

Forging a “oneness.” Whether a small group, a large unit, or the organization as a whole, “from many must come one.” The *team* must have a single personality. Fragmented or multiple personalities are as destructive to organizational groups as they are to individuals. When everyone is equally dedicated to reaching a common goal, coordination is achieved more easily and the shared sense of teamwork makes each individual’s load lighter.

Delegating completely. Those held accountable for a result must have enough authority to cover the *whole* job for which they are responsible. Without it they are hamstrung, unable to resolve matters as they arise or to make decisions in a timely fashion. Such situations not only create frustration, but give the rank-and-file a dim view of management's competency and efficiency.

Providing all the facts. Everything in an organization has a context. Giving those accountable a whole job with adequate authority, but not the framework within which both exist is a prescription for an error "from left field." *Delegates* must have all the information management has that is relevant to their individual situations if they are to act in the best interests of the company.

Not giving mixed messages. Consistent signals on goals, priorities, values, and “the way we do business here,” are essential if those responsible are to perform

effectively. Without this stability, what is already a difficult job becomes almost impossible. Few have much chance at winning a game where the rules are frequently changed.

The momentum of success will quickly dissipate if people are treated like conscripts rather than partners. On a day-to-day basis, managers must remain “out in front” by:

Getting people involved. Effective managers keep subordinates fully engaged. Not everyone participates willingly, yet it is only through active group agreement that high-quality decisions and consensus can be attained. Everyone should be invited to help make the rules. In difficult situations, people should be asked what they think should be done. Keeping people absorbed makes them feel like it's *their* team.

Building confidence. Managers must believe in people and then cause them to believe in themselves. They do so by insisting on a commitment to success, requiring self-discipline, and imparting a sense of responsibility. Then, followers are encouraged to act extemporaneously.

Imparting guidance. Effective managers must prepare *detailed* plans before a major performance, and consider worst-case scenarios to eliminate “surprises.” During the execution phase, they should help to distinguish truly threatening situations from non-threatening ones, preventing unnecessary energy or emotional drains, and put failures in the context of their “ultimate consequences.”

Demanding performance, but providing support. Performance expectations are made very clear and must be met. But despite this constant pressure to perform, there is always support and encouragement for individual career development.

Being in control, but not controlling. There must be a steadiness, a consistency, a sound grasp of the tempo, and no panic or waffling. But it should also be recognized that not everything can be choreographed—experimentation and extemporaneous action should be encouraged. It is the difference between *telling someone something*, and *helping them find it out for themselves*.

Psychological Barriers

Finally, there are psychological barriers that cross organizational levels that must be overcome:

Making people believe. So much of what we accomplish is determined by what we think we can. When the human mind thinks a feat is possible or impossible—it is. People must be persuaded in clear, convincing terms that the task at hand is possible. They must believe they *really can do it*. Getting people to accomplish something they thought unlikely or even impossible has always been one of the keys to leadership.

Turning 'em loose. People must have some autonomy. Effective managers know they cannot dictate everything. At some point, they must relinquish control and get out of the way. Doing so comfortably means that managers must *trust* the people around them. They must believe that people really *can* and *will* do the right thing.

Evaluating success objectively—not euphorically. “Did we really succeed or was success a windfall? Are we that good, or was the competition worse? Did we win, or did they lose? Would we have done as well had we not been the beneficiary of beneficial circumstances?”

Creating and maintaining a *strive-for-excellence* corporate culture is a tall order with no guaranteed formula for achieving it. Yet, unless competitive conditions around the world change, managing the endless pursuit of excellence will be an organization’s defining competitive advantage.

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