



RECOMMENDED READING SUMMARY OF SUMMARIES 2014 - THE FIRST 6 MONTHS

Following is a summary of readings recommended to our community so far this year. If you have any questions or suggestion about the readings below or would like to find out more about TalkPoint, please [contact us](#).

THE WORLD ECONOMIC FORUM AND THE ANNUAL MEETING IN DAVOS 2014

See www.weforum.org for all the details about meetings and highlights.

Some examples of particular relevance:

- Ethical Capitalism – Worth a Try?: <http://www.weforum.org/events/world-economic-forum-annual-meeting-2014/player?p=1&pi=1&a=52675>
- Disruptive Innovation Ahead: <http://wef.ch/52637>
- Doing Business the Right Way: <http://wef.ch/52108>

World Economic Forum: The Human Capital Report, prepared in collaboration with Mercer, 2013 [Click to download WEF Human Capital Report pdf](#)

According to this report, “a nation’s human capital endowment – the skills and capacities that reside in people and that are put to productive use - can be a more important determinant of its long term economic success than virtually any other resource.”

The report explores the challenges relating to Human Capital as a fundamental aspect of short term stability as well as long term growth and prosperity of nations. The report examines the paradox of rising unemployment in many countries, and the talent scarcity which may hinder global economic growth.

The Human Capital Index highlights the contributors and inhibitors to the development of the labour force globally and allows for effective comparison between nations, regions and income groups. The Index measures human capital more broadly than traditional methods – and takes into consideration multiple stakeholders and their different definitions of and need to take action for, human capital. The index has 4 pillars:

- **Education** – contains indicators relating to all aspects of education and contains information on the present workforce as well as the future workforce
- **Health and Wellness** – indicators relating to a population’s physical and mental wellbeing from childhood to adulthood
- **Workforce and Employment** – designed to quantify the experience, talent, knowledge and training in a country’s working age population
- **The Enabling Environment** – captures the legal framework, infrastructure and other factors that enable returns on human capital

The report has detailed global rankings and analysis across the various pillars, which are interesting to examine and use as information in the decision making process about business strategy. Of particular interest and value is the analysis about areas of focus and investment requirements, across different regions.

Australia comes in 19th place (out of 122). Australia performs poorly on its labour force participation of those over the age of 65. It performs well on the majority of indicators in Enabling Environment, in particular those concerning the legal framework. Australia also performs well on the Educational attainment of the population over 25 indicators.

HOW NETFLIX REINVENTED HR by Patty McCord , Harvard Business Review: January – February 2014

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Netflix developed a talent strategy based on the 5 tenets, as follows:

- Hire, reward and tolerate only fully formed adults
Trust people to behave like adults in the best interests of the organisation. One example of the way Netflix does things – instead of having a formal system of leave management, salaried employees are told to take whatever time they feel is appropriate and to work it out with their bosses and colleagues.
- Tell the truth about performance
Managers and employees have regular conversations about performance in an organic way – there are no formal reviews. Netflix have simple, regular and informal 360 degree feedback – based on what people should “stop, start and continue”.
- Managers own the job of creating great teams
Managers are told that their most important task is to build great teams. People are paid market based pay and are encouraged to ensure that they are confident they are being paid at the market for their talent. Employees are able to choose how much, if any, of their compensation would be in the form of equity. In this way they are able to manage their own tolerance for risk, and what is best for them and their families – this is one way of demonstrating faith in their “fully formed adult-ness”.
- Leaders own the job of creating the company culture
Ensure that there is a match between the values you are talking about and the behaviours you are modelling and encouraging.
Make sure everyone understand the levers that drive the business.
Ensure that leaders are aware of subcultures in the organisation – for example, salaried people as opposed to contractors.
- Good talent managers think like businesspeople and innovators first, and like HR people last
People in HR should think of themselves as businesspeople first – and should understand what’s good for the company, how do we communicate that to employees, and how can we help every employee understand what we mean by high performance. HR should be innovative – not rely on others’ best practice.

BUILDING A GAME-CHANGING TALENT STRATEGY, by Douglas A Ready, Linda A Hill & Robert J Thomas

[Click here to download pdf](#)

[Click here to go to HBR online article](#)

This article outlines the essential attributes of high performance organisations enhanced by superior talent strategies, which guide and drive their business strategies – they are

- Purpose driven
- Performance oriented
- Principles led

A truly game-changing talent strategy balances these tensions:

- Strategic and operational
- Global and local

- Collective and individual
- Enduring and regenerative

FIXED VERSUS GROWTH MINDSET

About the concepts introduced in the book **Mindset: The New Psychology of Success** by Carol Dweck (and reviewed by Maria Popova on her blog www.brainpickings.org)

[Click here to read Maria Popova's review in full](#)

Stanford University Professor of Psychology, Carol Dweck, has conducted extensive research into the achievement of potential and success. The mindset concept is the result of her research, and distinguishes 2 types of mindset –

- A fixed mindset – people with this mindset believe that their basic qualities, like intelligence, talent creativity, are simply fixed traits. They spend their time documenting their intelligence and talent instead of developing them. They also believe that talent alone leads to success, not effort.
- A growth mindset – is one in which people believe that their basic abilities can be developed through dedication and hard work – talent and intelligence are just the starting point. This mindset enables a love of learning and a resilience that is critical for accomplishment and success.

The implications of this insight for business people, particularly those concerned with learning, development, talent and people are huge. Maria Popova, in her review of Carol Dweck's work sums it up in a sophisticated, yet simple way.

“At the heart of what makes the “growth mindset” so winsome, Dweck found, is that it creates a passion for learning rather than a hunger for approval. Its hallmark is the conviction that human qualities like intelligence and creativity, and even relational capacities like love and friendship, can be cultivated through effort and deliberate practice. Not only are people with this mindset not discouraged by failure, but they don't actually see themselves as failing in those situations — they see themselves as learning.”

Carol Dweck's work is well worth reading, and so too is Maria Popova's review of her work.

(in fact, the brainpickings blog is worthwhile everyday)

CONNECTED LEADING: MOBILISING YOUR ORGANISATION'S NETWORK WITH SNA (Social Network Analysis), By Hilary Armstrong & the IECL (Institute of Executive Coaching and Leadership), March 2014

[Click to download the whitepaper pdf](#)

Organisational charts, whether they are centrally controlled and linear or matrix structures, don't accurately reflect the way work gets done or illustrate the key influencers, leaders and “holders of relationships”. Work typically gets done through informal social networks – we approach people we know, trust and like to find solutions to our day to day concerns. We find ways to work around the formal structures to get what we need.

Technology has made it possible to map these informal relationships – which in turn enable us to observe the collaboration patterns that exist within organisations. This provides us with a different way

of understanding and managing organisational learning and leadership. The starting point for this work is the SNA. SNA maps show where information is flowing or where there are roadblocks, which departments or teams are communicating and how much, who represents the links between silos, and who are key change champions, connectors and influencers, In addition, the visual aspect of the SNA provides a “zoomed out” view of the organisation, which in itself encourages people to think beyond their own roles and teams.

This white paper outlines the ‘how’ and ‘what’ of SNA’s, but also, importantly the ‘so what?’ The SNA is the analytical tool that enables us to visualise the way relationships work within and organisation – a sophisticated understanding and questioning of the SNA enables a more collected and collaborative approach to organisational challenges. It provides a systems view of the organisation, and enables solutions to system problems.

LEADERSHIP FOR THE EXECUTION OF STRATEGY, by the Palladium Group 2014

[Click here to download the whitepaper pdf](#)

Many leaders are able to develop strategies, or outsource the development of strategies, but have significant challenges in the execution. This is a consistent and ongoing challenge.

This paper is based on research conducted by the Palladium Group in association with Monash University and University of Queensland. The results show that strategically enabled leadership is based on four factors, which form the basis of the 4 C’s framework for Leadership for the Execution of Strategy:

- Context
- Characteristics
- Conditions
- Capabilities
-

The research finds that the 4 C’s must be understood sequentially, with context underpinning the other factors.

A few interesting aspects of this paper should be noted –

- The LFES model rejects the ‘hero leader’ principle, and instead demonstrates through the research that leaders can be trained and equipped with the skills to execute strategy, This is an interesting case-in-point for the Growth Mindset, referred to in Carol Dweck’s work (see above).
- The paper suggest the importance of linking leadership development to strategy – and notes that in many cases, the leadership development function sits in HR, which does not always play a meaningful enough role in strategy. The disconnection between strategy and leadership development may contribute to the lack of strategic executive capability.

MAKING BUSINESS PERSONAL, by Robert Kegan, Lisa Lahey, Andy Fleming and Mathew Miller, Harvard Business Review, April 2014

[Click here to download the article pdf](#)

“Companies that turn employees’ struggles into growth opportunities are discovering a new kind of competitive advantage.”

This article puts forward the idea that the more organisations are able to harness the whole person, including their inadequacies and vulnerabilities, as well as their skills and talents, and the more we

are able to embed a culture of learning opportunities instead of mistakes, the greater the benefit to the organisation.

Kegan, Lahey, Fleming and Miller started this research by asking some key questions:

- What if, instead of hiding their weaknesses, employees were comfortable acknowledging and learning from them?
- What if companies made this possible by creating a culture in which people could see their mistakes as prime opportunities for personal growth?

These questions are not new. What this article and the research does is take the next step, which is to ask – if this were the case, what would be the impact on the opportunities for growth for the organisation? Herein lies the importance of this work.

Organisations that operate by enabling the personal growth of their people, and benefitting from this growth as a whole, are described by the authors as Deliberately Developmental Organisations, or DDO's.

The article describes the work done at 2 companies, Bridgewater Associates and Decurion, that were found to excel at enabling personal growth as well as being high performance organisations with outstanding results.

The authors acknowledge that a DDO is not for everyone, but put forward their observations, based on a small sample, that personal growth and fulfilment and business excellence need not be at odds – and that they can be combined to enable the other to flourish.

CONVERSATIONS WITH LEADERS ABOUT THRIVING AMID UNCERTAINTY – Leading in a Complex World, by Christain Orgimeister, Grant Freeland and Roselinde Torres, BCG Perspectives, March 2014
[Link to interviews online](#)

Here is a series of interviews with 4 corporate leaders and 1 prime minister – as part of BCG's annual leadership series. The interviews addressed the issues these leaders face in respect of leading in complex times, how they are able to sort the signals from the noise and manage in times of globalisation, technology and rapid change, more data than ever, a greater need for transparency and dialogue with stakeholders, and addressing an ever expanding set of business, political and social issues.

The interviewees are:

1. The Prime Minister of Malaysia on Balancing People and Performance - an Interview with Najib Razak
2. AGCO's Martin Richenhagen on Cutting Through Clutter - an Interview with the Chairman, CEO, and President
3. Anil Agarwal on Simplicity and Determination at Vedanta Resources - an Interview with the Executive Chairman
4. Standard Chartered's Jaspal Bindra on the Human Face of Complexity - an Interview with the Asia Group Executive Director

5. Natura's Alessandro Carlucci on Countering Complexity with Culture - an Interview with the CEO

Some of the common threads and insights across multiple interviews follow:

- A strong vision and clarity of purpose are critical, define the core proposition.
- Regularly “go down to the ground” – talk to stakeholders, stay close to the customer, “there is nothing to beat the power of conversation”, “people tell you more than they write when they look you in the eyes”, think in networks – include related customers, industries, dealers
- Use technology to manage risk as well as to create productivity
- “Disassemble the machine of the typical corporation”, trust your people and enable them to succeed, hold them accountable – the machine was built by people like [me] – take responsibility and be humble enough to allow the machine to be disassembled, simplify structures, use your personal intuition, plan less, learn by doing, don't be afraid to kill the initiative.

Each interview is filled with sophisticated thinking and wisdom and humanity, and well worth listening to. The power of listening to (and in the case of Prime Minister Najib Razak, reading) all the interviews together is exponential.

BOOK REVIEW: THE CIRCLE, by Dave Eggers, published November 2013

[Click here to purchase The Circle](#)

The Circle is an important novel for our times. But that's not the reason I am including it in the recommended reading list. My role, and intention, is to curate material that is relevant to our community of people busy with people in organisations.

This book is important for us too. It's a clever, seemingly simple, story that we can all relate to. A young ambitious woman, Mae Holland (our Gen Y's), lands the job of her dreams at The Circle – a fictional West Coast social media corporation that has subsumed all earlier iterations such as Google, Facebook, and Twitter. She feels that she has landed in heaven – and is awed by the magnificent workplace, the sense of community, the music, dance, socialising that all form part of the working environment.

Without disclosing too much of the story, the novel plays itself out in a slow, creepy way, and explores ideas about privacy, the value of sharing, personal and professional power, and boundaries between the public and private that plays itself out in this workplace of dreams.

For us, as HR leaders, the questions of balance and boundaries, between personal and professional, work and other life, work and home, who we are versus what we do, fitting in and asserting ourselves, diversity of thought and being bullied, collaboration and competition, are all raised in this novel. It's a fun way of exploring critical concepts, and raising topics that must be discussed.

SEVEN WONDERS OF THE INVESTING WORLD, by David Potts, SMH: Money, 28 May 2014

[Click here to read online article](#)

This is an interesting piece from the Money section of the SMH. It's interesting if you're looking to invest money, but for our purposes what makes it interesting is the thinking behind it. In the first instance, it suggests the importance of the concept of trends and also knowing what trends are current. The next step is to decide what to do about trends – the implication is that knowing the trends does not mean

necessarily following them, although you may decide that's what you should do. You may, on the other hand, decide to disrupt a trend, ignore it or go in the opposite direction from a trend.

For investing purposes, this article outlines 7 trends that are worth factoring in to investment decisions. They inform us in the business world too. They are:

1. Globalisation
2. Energy revolution
3. Ageing
4. Food and water
5. Big data
6. China connection
7. Lower growth for longer

Our challenge is to examine these trends (and others) and decide on an appropriate response, in terms of the design of our products and services, the way we work, who does which work and how all these might evolve over time.

SPOTLIGHT: ARIANNA HUFFINGTON

Book Review: Thrive by Arianna Huffington, published 2014

[Click here to listen to radio interview with Arianna Huffington](#)

If someone has as much influence as Arianna Huffington, it's worth learning a little about her ideas. Her latest book is called **Thrive: The Third Metric to Redefining Success and Creating a Happier Life**.

In it, Huffington explores what constitutes success in our times. She acknowledges money and power, and their importance, but famously describes these as only 2 legs to what should be a 3-legged stool. Like all 3-legged structures, only 2 legs will not hold it up. The third "leg", or metric, is 4-pronged, made up of Wellbeing, Wisdom, Wonder and Giving. This is the stuff that enables us to thrive. So far, so in tune with what everybody else is saying, or going with the trend, as it were.

What is very powerful about this book and Huffington herself, is a depth, of richness and sophistication that comes through in the book and in hearing her talk. She is more than just 'on trend' – she is the embodiment of intellect and spirituality and humility that make her words on this 'trend' real and compelling.

Yes, she knows how to play the game, and be successful in regular terms – she does have money and power – hard earned, by all accounts. And she also accesses something more, in herself and invites others to join.

This book is well worth reading.

ENTHUSIASM FOR SHARING NOT UNIVERSAL, by Annabel Crabb, The Sun-Herald, 1 June 2014

[Click here to read the online article](#)

Annabel Crabb is another influencer, albeit on a smaller scale, worth listening to. In this article, she starts out talking about "sharing [as] the story of our century."

Thanks in large part to technology, we are able to share things and ideas across geographical, cultural and economic boundaries. The sharing economy, as she calls it, enables us to share (overshare?, she asks) information and ideas, points of views, opinions, photographs as well as real stuff – and the boom of businesses like airbnb, Uber and OpenShed, enables us to share space and equipment and provide services in our, or their, downtime.

Sharing makes people happy and contributes to their wellbeing. We teach our children, very early on, that 'sharing is caring'.

Dig a little deeper, though, as Crabb does. She goes on to give a couple of examples of ways that we show our struggle and unwillingness to share, really.

The point is, and she quotes Australian businesswoman and aid entrepreneur, Audette Exel, on this,

“there seem to be 2 types of sharing; one that is convenient and cheap for the giver, like handing on a bulky piece of baby furniture or sharing a picture of something beautiful, and one that requires sacrifice, like giving away a part of your salary, or sharing your time to help someone else.”

Or, as Jack London wrote,

“A bone to a dog is not charity; Charity is the bone shared with the dog when you are just as hungry as the dog.”