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It's 2008: Do You Know Where Your Talent Is?

Connecting People to What Matters

Part 2 of a Deloitte Research Series on Talent Management

Foreword

Demand for knowledge workers is building even as their experiences, skills, and abilities are falling into increasingly short supply. Meanwhile, this shrinking talent pool grows ever more diverse—and their needs are shifting. They expect interesting work, career development, and flexibility in exchange for their highly sought after capabilities.

Deloitte Research's report "It's 2008: Do You Know Where Your Talent Is? Why Acquisition and Retention Strategies Don't Work" questioned the "war for talent" approach to these emerging trends. The report's author, Robin Athey, concluded that the most effective recruitment tactics, rich compensation packages, and "hot skills" bonuses don't address the core drivers of talent churn. Rather than focus on acquisition and retention, organizations should focus instead on what employees care about most: developing in ways that stretch their capabilities, deploying onto projects and roles that engage their heads and hearts, and connecting to the people and things that will help them achieve their professional goals.

As we work with clients to help them build innovative talent strategies and solutions, we find they are especially interested in connecting people to what matters. Technology and globalization can empower people as never before. The nature of work is changing as people connect in new and exciting ways. At the same time, however, as they race through their days, people can feel less and less connected—to each other and to a sense of purpose in their work.

This latest report brings a fresh perspective to these issues. It offers practical solutions for connecting people to each other, to a sense of purpose, and to the resources that they need to do be effective.

"Connecting People to What Matters" is part of Deloitte Research's Talent Management series. We look forward to continuing our conversations and our work with you as we co-create next generation innovations.

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It's 2008: Do You Know Where Your Talent Is?

Connecting People to What Matters

"Connecting" matters. CEOs talk about the need to connect with customers and suppliers, across teams and silos, and to meet big goals. New hires are encouraged to connect with key people. Even getting a job is all about "being connected." We connect with one another to get advice and resolve sticky issues. And we're technologically connected in more ways than we can keep up with. Never before have so many diverse people been connected across professions, across generations, across cultures, and across oceans in a huge global network.

In a wired world, connecting people to what matters most is the name of the game. That's because innovation and value emerge primarily out of people's connections. No ideas evolve in isolation; they emerge out of people's interactions. When people are connected, things fall into place. Teams give their best efforts and new products launch on time. The energy is palpable as ideas spring forth and become reality. And when people *aren't* connected? Strategies fall apart and investors can pull their funds. Executives may get ousted and key people leave—or worse, they stay and complain.

So if connecting is so important, which kinds of connections matter most when it comes to business performance?

This Deloitte Research study explores this issue and offers practical ideas to build connections that drive productivity, innovation, and growth. Just as the term "connect" is tossed around so casually, we find that attempts by organizations to create connections are often ad hoc. For example, many organizations rush instinctively to pull people together into teams, as if that were the answer to everyone's connectivity

woes. Or they connect them to all the data they could possibly need—and more. The bottom line is that certain kinds of connections are more likely to spur performance than others. Indeed, how people connect can mean the difference between a loyal, thriving workforce and a costly revolving door.

To make this amorphous topic more practical, this study focuses on three broad kinds of connections. The first involves connecting people with *people.* Everyone knows that networking matters. Research suggests that successful managers dedicate 70 percent more time to networking activities and 10 percent more time to communication than their less successful counterparts.[1] It is through their networks that people learn, create, energize one another, and open channels to new opportunities.

Because value today is created largely out of interactions, people's connections are increasingly important. They are also more complex. Organizations are becoming more dispersed, and people work with a growing cast of characters both within and beyond enterprise boundaries. Their interactions may be face-to-face, by phone, by video, or through many forms of electronic communication. But even for tech-savvy younger generations, there are limits to the numbers of relationships that people can manage effectively.[2] As their contacts proliferate, high performers are intentional about cultivating the networks and relationships that spur their learning and growth. They reach out to diverse others to stretch their thinking. They foster trust by treating others with respect and delivering on their commitments. And they are highly skilled in their interactions, generating positive energy around

a compelling vision. *Who* people know and *how* they work together are just as important as *what* they know.

The second involves connecting people to a sense of *purpose*. Workers today expect something greater than a paycheck. They expect fulfilling jobs and careers. Though individuals are ultimately responsible for finding meaning in their own work, organizations can go a long way in creating the conditions that inspire people to go above and beyond. The payoff for connecting people to purpose is significant because the majority of employees around the world are disengaged in their jobs. They just "show up" to work, without committing extra effort.[3]

Focusing on the need for purpose is especially important for younger workers, who rank meaningful work and challenging experiences at the top of their job search lists.[4] But this need is also critical in a broader sense. As labor markets tighten and skill gaps grow, no organization will be able to squander its talent.[5] Organizations will need to tap every bit of energy their people have to offer—not by demanding it, but by cultivating each employee's unique potential and creating a sense of belonging.

The third involves connecting people to *resources* in ways that enhance performance. That seems obvious, but it's easier said than done. Workers must often leap through hoops to get authorization for the resources and support they need to do great work. At the same time, they drown under the weight of unnecessary data, technology, tasks, and responsibilities. They don't get enough of what they need, and they juggle too much of what they don't need. As this study explores, the resulting overload and stress caused by inadequate support and 24/7 work life take a significant toll on innovation and productivity.

Rather than saddle employees with unnecessary constraints, information, technology, or tasks, leading organizations such as SAS (one of the world's largest privately held software companies) connect people to what matters. They do this by paying close attention to the quality of people's day-to-day experiences. For example, they clear obstacles for employees to procure the materials that they need to get the job done.[6] They frequently update their technology, believing that tools serve one purpose: to help workers be great.[7] They allow people time to learn, reflect, and rejuvenate, not just "do." They provide workspace options that allow for concentration or collaboration, depending on the needs of the moment. They eliminate distractions, whether unnecessary meetings or personal concerns (such as finding quality daycare) for which assistance can be provided.[8] And they enable key people to build the networks and relationship skills that lead to professional effectiveness and organizational growth.

Activity does not equal productivity.

This study explores the power of connections. It presents leaders with a solid framework, research-backed ideas, and leading practices to connect people for performance.

A Framework for Connecting People

In the first part of this series, "Why Acquisition and Retention Strategies Don't Work,"[9] we showed that organizations tend to address workforce shortages by engaging in a war for talent. They fire up the recruiting engine and stanch the outflow of their top people by dangling money in front of them when they head for the exits. They focus on the end points of the talent management process—acquisition and retention—which diverts attention from what truly matters to key employees. They don't focus enough on *developing* people in ways that foster growth, *deploying* them into roles that tap their strengths and interests, and *connecting* them in ways that enhance performance. ("A Summary of Develop-Deploy-Connect," p. 18). Among these three factors in managing talent, "connect" is emerging as the most important in today's competitive environment. It is also the aspect of talent management that is least understood and managed.

Three kinds of connections matter most when it comes to performance: connecting people to *people* in ways that promote personal and professional growth, connecting people to a sense of *purpose*, and connecting people to the *resources* they need to do great work.

Figure 1. The Connect Model

People-to-People
Cultivating high-performance networks of high-quality relationships

People-to-Purpose
Building and sustaining a sense of personal and organizational mission

People

Purpose

Performance

Resources

People-to-Resources
Managing knowledge, technology, tools, capital, time, and physical space to achieve professional and business goals

Connecting People to People

Work has always been done through relationships. But as jobs become more complex, people increasingly depend on one another, whether it's to design software, lead a call center, build an engine, or sell a service. At the same time, relationships are spreading across all sorts of boundaries. Knowledge workers in Europe and China are as likely to work with colleagues in North America and India as with those in the office next door. And many interact with customers, suppliers, contractors, consultants, and outsourcing providers around the globe. The tidal wave of email is but one indicator of this burgeoning web of contacts. It's never been simpler to "reach out and touch someone."[10]

Connecting people to people is about building and sustaining intentional networks of high-quality relationships. Decades of research suggest a strong link between personal networks and effective execution, innovation, learning, and individual career growth.[11] Moreover, how well people work together impacts almost everything an organization does. Take Southwest Airlines, the most profitable U.S. carrier over the last 35 years. With more than 70 million passengers each year, Southwest has found that relationships among its employees have a huge impact on customers, a key to the airline's success in a turbulent industry. "Connection is about relationships," says David Ridley, Southwest's retired Senior Vice President of People and Leadership Development. "How we deal with one another, and the care and concern we have for one another, extends to our customers."[12]

Learning and knowledge are a second important reason to focus on people's connections with one another, because it's through relationships that people learn how to perform complicated tasks, manage difficult colleagues, or navigate corporate politics. One estimate suggests that more than 70 percent of what people know about their jobs, they learn through everyday interactions with colleagues.[13] And research at MIT found that engineers and researchers were five times more likely to turn to another person for information rather than to search an impersonal source such as a file or database.[14] The vast majority of knowledge resides in people's heads—not in an organization's databases.

A third reason to focus on people-to-people connections involves decision-making. Time pressures and shifting priorities mean people often make decisions on the fly. Sometimes that works just fine. Under the right circumstances, decisions made quickly can be every bit as good as those made cautiously—even better.[15] However, research on leaders finds that a significant difference between those who make quality decisions and those who make poor-quality decisions comes down to how they engage stakeholders.[16] This doesn't mean every decision should be handled by democratic vote. But it does call for hearing others' voices and respecting their opinions. People may not always like the outcomes, but when they perceive that they are heard and treated fairly, they are more willing to accept a decision, even one they don't

support. Leaders make better decisions when they consider diverse perspectives that spark fresh insights. They also need to allow conflict to emerge. Avoiding conflict spurs dishonesty, which impairs the ability to make good decisions.[17] Great leaders skillfully handle conflict by listening to stakeholders and stepping into their shoes. And in debating alternatives, they focus on content rather than personalities, sending a clear message that they genuinely respect the people behind the ideas.

A fourth reason to focus on people's connections to each other is that relationships fuel the emotional bonds that tie people to an organization. Their relationships also inspire them to give extra effort—or not. Research conducted by the Gallup Organization found that the number one reason that Americans leave their jobs is that they don't feel appreciated.[18] As the saying goes, people don't leave their jobs, they leave their bosses and co-workers. People are more engaged in their work when they sense that they are heard, that their colleagues care, and that their contributions are valued. A single high-quality conversation, e-mail exchange, or moment of recognition can vitalize participants, giving them a bounce in their steps and—importantly—a greater capacity to act, finds Jane Dutton at the University of Michigan.[19] Indeed, a study conducted by Rob Cross (University of Virginia) and Wayne Baker (University of Michigan) found that the "energizers" in an organization (those who spark progress through constructive behaviors) were four times more likely to be high performers than those who simply bring knowledge and skills to the table.[20] Conversely, conflict avoidance and toxic interactions (two ends of a spectrum) can erode trust and sap performance. When people are ignored, rejected, or criticized, it deflates their morale, their sense of self-worth, and their ability to learn.[21] People are more than willing to endure a co-worker who doesn't know a lot, if that person is pleasant and engages respectfully with others. Indeed, researchers at Harvard Business School found that the "lovable fools" in an organization tend to be higher performers than the "competent jerks."[22]

Five reasons to focus on people's networks and the quality of their relationships:

1. **Complexity.** As jobs become more complex, people are increasingly dependent on one another.

2. **Learning.** People learn and create knowledge largely through their interactions with one another.

3. **Decision-making.** Leaders make the most effective decisions when they engage stakeholders in respectful ways.

4. **Energy.** High-quality interactions create energy. Toxic interactions and conflict avoidance sap energy.

5. **Innovation.** Innovators cultivate richer and more diverse networks than their less innovative counterparts.

Innovation is a fifth reason to become more intentional about people's connections. One of the greatest myths propagated in the last century is that of the lone inventor. Innovation rarely happens in isolation. Even giants of innovation, such as Thomas Edison, continually connected with others to generate and execute ideas. Rather than being lone geniuses, innovators are masters at recombining others' ideas in new ways. Edison's ability to deliver "a minor invention every ten days and a big thing every six months or so" evolved because of his network and his laboratory's ability to recombine existing ideas. [23] Even the light bulb was not Edison's invention. The patent for an incandescent bulb was filed 30 years earlier by J.W. Starr. What Edison did, through his carefully cultivated network, was to collect ideas across "many different technologies—existing electric lights, the telegraph networks, and gas lighting—in a way that sparked a revolution." [24]

Likewise, Nobel Laureate John Nash (the subject of the film *A Beautiful Mind*) spurred new thinking by interacting and doing, believing that "classes dull the mind." [25] He eschewed books in favor of debates with colleagues that pushed his understanding. And he rallied colleagues to bring his ideas to fruition. In the words of his biographer, Sylvia Nasar, Nash "was no loner. As eccentric and competitive as he was, he was remarkably good at recruiting other people to join his coalition." [26]

Individuals tend to have one piece of the puzzle. Innovators are good at seeking out those with the other pieces and bringing them together in ways that create value. It is a key task for leaders to distinguish between those who are great at generating ideas and those who are great at executing them, and to create the conditions that allow them to thrive.

Connecting People to Purpose

People achieve a sense of purpose in their jobs when four conditions are present. First, they must find their work internally motivating. They must enjoy the nature of their work on a day-to-day basis, whether it's writing code or interacting with customers. They must feel that they have the requisite skills, yet also feel challenged to stretch and grow. They must have the time and space to carry meaningful work through to completion, feeling responsible for achieving results without feeling micromanaged. And they must be able to see or taste the fruits of their labor through trustworthy feedback. [27] Take any of these things away and motivation plunges. As summed up by Richard Hackman at Harvard University, "A person who is internally motivated feels good when he or she performs well, and feels terrible when the work has gone poorly." [28] When internal motivation occurs, the need for external carrots and sticks, such as monetary rewards or close managerial scrutiny, are greatly diminished.

Second, people find meaning when they belong to a community that reflects their identity and core values. When people feel that they belong, they are more committed to their work. Fostering a sense of belonging is also important for innovation. Studies on R&D units in the biotech industry, for example, found that those that intentionally foster a "sense

of community" achieve shorter technology-cycle times than those that operate as a "bureaucratic hierarchy." [29] The first step in creating a sense of belonging is hiring people who fit the culture and wish to be part of it. With the right people in place, effective leaders draw people into a shared mission by creating a compelling vision and finding meaningful ways for everyone to participate. They spark energy by making it psychologically safe to take risks, and by treating everyone fairly. When leaders foster a sense of belonging, they infuse people with a sense that they are serving a larger purpose, something greater than themselves.

The third condition that matters is cultivating a sense of pride in the organization and its mission. This occurs when a group or organization mirrors people's core values and is highly regarded by the broader community. Recently, for example, there has been a rush of talent to Google, today's Silicon Valley darling. Google has a reputation for being a vibrant, energizing place to work. It is also a company on a mission: to organize the world's information. Its recent decision to earmark nearly $1 billion for social causes through the launch of Google.org is also likely to enhance employees' sense that their company is on a mission greater than just making money. [30]

Yet the threat of competition for Google is always around the corner. In no other industry do companies peak so quickly— only to crash the minute a disruptive technology sweeps from the wings. In these circumstances the need to engage talent is extreme; the brilliant code writer who doesn't feel challenged may lead the revolution that sinks Google's $100 billion market capitalization. Google co-founder Sergey Brin knows that sustaining growth requires creating "audacious" long-term challenges that matter to critical talent. One example is the effort to create automated universal translation, a technology that allows a Web page to be translated into a myriad of foreign languages. Such challenges give Google's engineering and research professionals a "technical Mount Everest that they can climb...an idealistic goal that's potentially enriching to global society." [31]

> ## Four factors that infuse meaning and purpose in people's jobs:
>
> 1. **Motivating work**. People derive meaning and perform when the nature of their work is intrinsically motivating.
>
> 2. **A sense of belonging**. Cultivating a sense of community spurs innovation and fuels emotional bonding.
>
> 3. **Pride of mission**. People seek work that mirrors their core values in organizations that are highly regarded by the broader community.
>
> 4. **Strategic direction**. To know that their efforts are worthwhile, people need a clear sense of strategic direction and how their individual efforts contribute to growth.

Fourth, people connect to a sense of purpose when they clearly understand their organization's strategic direction and how their efforts contribute to it. One study revealed that 84 percent of employees in high-growth organizations understood the direction of their organizations. But in slow-growth organizations, only 52 percent of employees understood their organization's strategic direction and felt their efforts were directly tied to it.[32]

Finally, it is important to note that people are more attuned to their day-to-day work experiences than they are to less tangible things such as an organizational mission.[33] While they may believe in the goals of their organization, if they are bored with their jobs or face toxic interactions on a daily basis, they are likely to check out. The ideal is to foster a sense of purpose "locally" in one's job and immediate work group, as well as "globally" toward leadership and the broader aims of an organization. Research suggests that employees who feel committed to both "local" and "global" aspects of their job achieve the highest level of job satisfaction, are less likely to leave, and demonstrate the highest levels of "good citizen" behavior.[34]

Organizations that tap people's hearts, as well as their heads and hands, reap benefits because they inspire people's discretionary efforts. Yet the majority of people around the

The Role of Physical Space in Creating Connection to People and to Purpose

Until recently, Boeing mechanics assembled 737s in a facility that the company had used since 1941. Everyone else involved in making the 737 a success—engineers, designers, executives, and salespeople—was spread out over four other buildings at Boeing's Renton, Washington, campus. The advantages of consolidating this disparate workforce were apparent. Manufacturing could be held up for hours by the time engineers were able to respond to machinists' calls or e-mails about problems. But beyond designing a facility to bring everyone together, Carolyn Corvi, Boeing's VP in charge of the 737 program, went a step further to create a place where people would get really excited about their work.

The result was a transformational design that results in dramatically faster production. In addition to promoting lean manufacturing, the new building catalyzes connections between colleagues and to the sense of purpose that they carry into their work. It did this in several ways: by inviting natural light into a space that had traditionally shut it out; by scaling an enormous facility around humans; and by integrating the production of airplanes into everyone's workplace. The current layout allows everyone involved with the 737 to stay close to the plane. People hear and see the plane being built while they're at their desks. People are organized around the product instead of the process.

By conceiving the factory floor as a "company showroom" and creating transparent walls to let everyone "celebrate what they do," Boeing is fostering a direct connection between the planes and the knowledge required to build them. "Everything is designed around the notions of celebration and teamwork," says Corvi. "The tragedy of classical manufacturing is that we keep the designers separate from the people who do the assembly work." In the new facility, everyone has a direct connection to the brand name on his or her paycheck. "Imagine leaving your desk for a cup of coffee, coming up against the nose cone of a hulking 737, and being reminded that you too are part of the team that's responsible for making it fly."[38]

Such efforts to connect everyone involved in making a product or service are not unique to Boeing. Toyota is famous for its flexible production methods and continuous improvement. But the effectiveness of "kaizen" depends largely on the way that physical space supports the creation of social networks, rather than hierarchical grids of authority and process. Everyone involved in making cars is brought together to foster the connections that lead to innovation and fast, informed decision-making.

BMW's new factory in Leipzig, Germany is built around a similar premise: to mix white- and blue-collar workers, reduce intimidations that come from rank, and spur informal communication. At the heart of the US$1.7 billion factory sits a central building that was designed to provide everyone with a constant reminder of what's at stake: producing quality cars. Rather than encourage sitting at desks, each person's task is embedded in a whole network of activities. The routes that people take to and from shared facilities at the Leipzig plant are also designed to encourage interaction and the serendipitous encounters that fuel innovation and quality. By uniting interdependent divisions and offering workers a visual cue of the fruits of their labor, leaders at Boeing and BMW are ushering in the workplace of the 21st century.[39]

world are disengaged in their jobs.[35] They show up, do what's expected of them, but don't go the extra mile. Furthermore, only 17 percent spend most of their day doing things that they really like.[36] When people get to spend time doing what they love in a supportive environment, they are more tolerant of things that aren't as interesting or that they even dislike. They are also more likely to offer suggestions for improvement that benefit the organization.[37]

Connecting People to Resources

By *connecting people to resources*, we mean enabling them to manage knowledge, technology, time, and physical space in ways that improve their performance and allow them to adapt to change. In an age when business occurs at a relentless pace and decisions are increasingly complex, *how* people juggle resources, and the sense of support that they receive, is critical to their performance.

But managing resources is more difficult than ever, partly because people are inundated by information. In fact, more information has been generated in the last 30 years than in the previous 5,000.[40] The resulting "data smog" complicates decision-making, stifles creativity, and hampers performance (see Cognitive Overload below). Filtered data systems may help people to separate the wheat from the chaff, but they still present more information than people can possibly digest. Conversely, filtered databases may shield people from information they don't realize they need.

Too much information is not the only thing that commands excessive time and energy. Unproductive meetings, poor communication, and hazy objectives are estimated to gobble up two of every five workdays.[41] Worries about budgets, downsizing, and other forms of job insecurity create additional stress that hurt performance. When people expend energy worrying, it diverts their attention from achieving an organization's desired goals. It also keeps people rooted in the weeds of their work, preventing them from seeing the big picture.

An "organizational cushion" of flexibility, time, space, and budget allows people to adapt to change and focus on what matters. Numerous studies show that technological innovation, for example, depends upon slack in budgets.[42] Indeed, when people experience (or expect to experience) significant disruptions in cash flow, innovation is hampered.[43] People also need time and space to do great work, and permission to take risks. Unfortunately, much of this cushion has been reengineered out of many organizations, resulting in a frenzied pace that hinders clear thinking and effective action, curtails learning, and creates undue stress that damages working relationships. To manage the tempest of information and change swirling about today's workplace, slow may be the new fast.

Cognitive Overload

It's estimated that the amount of worldwide information doubles every 1.5 years, and corporate files double every 3.5 years. More than 35 billion e-mails are sent each day.[44] Even a Sunday newspaper contains more information than the average 17th century citizen encountered in a lifetime.[45] Add to that the stress of decision-making amidst uncertainty, corporate change, and a tidal wave of tasks. Never before in history have workers been asked to absorb and make sense of so many data points.

Cognitive overload is a fact of life today. But as the doctrine goes, more is not necessarily better. More information, for example, does not make for better decisions. In fact, too much information dampens performance, hobbles innovation, and creates "analysis paralysis." Studies show that "as the brain is asked to process dizzying amounts of data, its ability to solve problems flexibly and creatively declines and the number of mistakes increases."[46]

Multitasking, too, takes a toll on performance. Research done by David Meyer at the University of Michigan shows that task-switching actually slows us down. As the Roman philosopher Publilius Syrus stated in 100 BC: "To do two things at once is to do neither."[47] It can also dumb us down. A highly publicized UK study found that "the relentless influx

of emails, cell phone calls and instant messages received by modern workers can reduce their IQ more than by smoking marijuana." Men, apparently, were twice as distracted as women.[48]

Constant nibbling from one task to another can leave people devoid of job satisfaction when they find they've achieved nothing of consequence at the end of the day. It can be harmful to careers, health, and safety. The UK study found that "working amid a barrage of incoming information can reduce a person's ability to focus as much as losing a night's sleep."[49] Work takes longer when done in bits and bytes, increasing the pressure to get things done and leading to sleep deprivation. When people are tired, attention spans and memories suffer. They are also less adept at mathematical and verbal tasks.

> *One study in a financial services organization found that the average employee switches tasks every three minutes, is interrupted every two minutes, and has a maximum attention span of 12 minutes.[50]*

Cognitive Overload, cont'd.

Paradoxically, the more fatigued people are, the more confident they become about their judgment.[51] Moreover, the behaviors that lead people toward "Information Fatigue Syndrome" and "Pseudo-Attention Deficit Disorder" are actually addictive. The brain releases a "dopamine squirt" when we receive responses through e-mail and instant messaging. Such stimulation is highly seductive, like a hit of narcotics, contributing to people's inability to detach from electronic tools.[52]

How do people get beyond the behaviors that lead to cognitive overload? Adequate rest, good diet, and physical exercise help a lot. So do creating distraction-free swathes of time to concentrate and taking breaks to unplug. Indeed, research suggests that what distinguishes top performers (whether athletes or executives) from average performers is that they honor their natural rhythms. They stretch themselves to fully engage, but they also fully detach on a regular basis (every 90 minutes, for example). That is, they place as much importance on the quality of their rejuvenation as they do on the quality of their engagement.[53] Enabling people to focus on their strengths helps, too. When key people are stretched too much, because they're not good at what they do or their workloads are too heavy, stress rises and performance suffers.

Environmental circumstances also play a role. Natural light and quiet, clutter-free workplaces are all important. Other factors, such as workplace ergonomics, impact people's ability to focus and concentrate without undue physical stress. At software company SAS, for example, dedicated ergonomics experts analyze employees' workspaces and offer counseling on desk and chair heights, body posture, and lighting.[54]

People's relationships are another very important factor when it comes to cognitive overload. Toxic interactions drain energy and hurt performance because they cause people to worry and engage in internal chatter. When people work in open and positive environments, they are much more likely to focus on the task at hand, with enthusiasm and a clear head. And when people work at a distance? Face-to-face interactions with positive people are still very important. Research suggests that the more isolated people are, the more stressed they become. For this, some researchers suggest making time "at least every four to six hours for a 'human moment,' a face-to-face exchange with a person you like."[55]

Connecting People for Performance

Connecting people to one another, to a sense of purpose, and to the resources they need to do good work spurs innovation and enhances performance. But the kinds of connections that launch an organization's top talent to new levels of performance are *not* ones that occur by chance. These connections happen by design.

For many organizations, effective connections require profound organizational change. This is especially true for those organizations hanging on to the vertical structure of an industrial era when hierarchy ruled. Command-and-control silos hinder knowledge flows and slow decision-making, a death knell in today's global economy. Even matrix overlays can clutter meaningful connections between people and the free flow of ideas that foster innovation. They tend to be complex and inefficient, creating conflict and confusion as proliferations of reports trigger informational logjams and overlapping responsibilities lead to turf battles and fuzzy accountabilities.[56] Likewise, organizations that lack a compelling strategy, solid underlying values, and an adequate reward system can spark confusion and interpersonal toxicity.

In this knowledge era, organizations need to improve connectivity across many boundaries. This requires a deep analysis of the relationships among organizational structure, competitive strategies, and the external environment.[57] It means building reward systems that reinforce clear accountabilities and encourage collaboration. And it means cultivating a culture in which people produce results based on a sense of well-being and ownership in their work, rather than fear of management reprisal.

Short of major organizational redesigns, here are eight practical ways leaders can create connections that promote learning, speed decision-making, tap the energy and knowledge of their people, and infuse them with a greater sense of purpose.

1. Get strategic about on-boarding

Leaders and managers have only four to six months to socialize new hires into an organization's culture.[58] Yet traditional approaches to "onboard" talent tend to be ad hoc rather than purposeful. Consider the case of a new employee. She arrives with lots of energy, new ideas, and a network of contacts. Yet her first weeks are often a mishmash of introductions and orientation programs that are divorced from the reality of her job. Such approaches can leave new recruits dazed, confused, and disillusioned. It's but one reason that 40 to 50 percent of senior new employees fail to achieve their desired results in new jobs.[59] When new recruits fail, organizations lose their investment in the individual. They also lose performance from the employees surrounding new recruits due to lost time, disrupted efforts, and damaged morale.

Rather than aim a fire hose of information at overwhelmed recruits, isolate them in classrooms, or subject them to days of online training and simulation, organizations must deftly integrate people into their jobs and the culture of the organization. The first step is connecting new hires early and often to key people from whom they can learn. BMW, for example, intentionally appoints mentors to help new hires adapt efficiently to BMW's culture and to foster the connections they need to perform.[60] Other organizations help new hires develop network maps of key people they need to meet and influence. Illuminating informal networks, assigning people mentors, and pointing out role models are important. The conversations that emerge through these connections convey the value of the organizations in a much more compelling way than bullet points or mission statements. That is because they offer new hires insights into how things happen and why—and who performs and why. Not surprisingly, newcomers who quickly form relationships with co-workers tend to be higher performers and more satisfied with their jobs than their slower counterparts.[61]

Finally, new hires must quickly gain legitimacy in the eyes of their peers. To secure early wins and create coalitions of support, they must unlearn their old ways of doing things and learn approaches that work in the context of their new roles without losing the fresh ideas they carry with them. This is done by encouraging recruits to observe, ask lots of questions, and listen, rather than jump immediately into projects and exert their old ways of doing things, which may alienate new colleagues.

Unlearning, relearning, and creating the right relationships can rarely be achieved when new hires are isolated in the classroom or drowning in information.

2. Encourage ongoing performance conversations

Most people dread the anxiety of annual or semiannual performance reviews. Both frustration and lack of recognition get bottled up over the course of months (sometimes a year) to be uncorked on one fateful day.

It doesn't have to be that way. In fact, leaders who encourage ongoing performance conversations in their organizations can outperform those who follow the typical routine—that is, scheduling performance reviews once or twice a year. For example, at Green Cargo, a large Scandinavian transport and logistics company, managers are required to meet with their direct reports every month. They discuss performance review contracts that cover three-month horizons and assess worker strengths and weaknesses. They then specify a plan to improve skills and meet specific goals in ways that align with an overall strategy. Workers are encouraged to spend at least one hour preparing for each monthly conversation. During the meeting, they review their achievements and barriers to performance. They renegotiate their contracts as circumstances change.

Government-owned Green Cargo credits these one-on-one conversations with helping it turn a profit for the first time in its 120-year history.[62]

Business changes too frequently for goals to be set and reviews to occur rigidly once or twice a year. Markets shift. Projects arise, new opportunities emerge, and tasks change. Weekly, monthly, or quarterly reviews allow leaders, managers, and their direct reports to reconnect as situations evolve and change. Done well, they bring clarity to expectations, job responsibilities, and performance standards, as well as the hurdles that inhibit results. They also offer people a chance to develop and navigate their careers, which enhances their sense of direction and purpose. And they mitigate people's growing sense of disconnection in the workplace.

Perhaps the most difficult aspect of such conversations involves giving feedback. Done right, it should encourage personal and professional growth, not cause people to shut down. Few things, for example, cause greater frustration than not feeling heard. For this, it is important that conversations always be a two-way process and that leaders act as role models in emotionally intelligent ways.

One way leaders can encourage productive conversations is first to ask how they can better serve their direct reports—and then to hear their employee's suggestions on what they need to perform better. With a genuine offer on the table, leaders can then engage in the more typical conversation—that is, what the employee can do better, followed by the employee's own observations on what he or she can do—without triggering the defensive instincts that naturally emerge when the employee feels like the only one on the hot seat.

Finally, when counseling employees, it is important that leaders and managers focus on the specific actions and behaviors that lead to performance (or detract from it), and avoid praise (or criticism) that labels a person in one way or another. Pronouncing someone as "smart," for example, may lead that person to choose safe projects that allow him or her to look smart again and again. Being smart is not a fixed ability. Recognizing hard work and collaborative behavior on a tough assignment, on the other hand, acknowledges effort and may encourage the person to seek future challenges from which he or she can learn and grow. It also conveys the importance of learning and dedication, and not just ready-made talent or genius.[63] [64]

> *Conversation has to explore new territory to become an adventure.*
>
> *– Theodore Zeldin*

3. Provide collaboration tools

Learning happens when people interact in meaningful ways. As more and more people work at a distance, the richness of collaborative technologies becomes increasingly important. Asynchronous applications such as e-mail can actually isolate people from the connections that they need to learn, grow, and bond with colleagues. They tend to be slow and inefficient. Moreover, it's estimated that only 8 percent of e-mail today is legitimate and relevant to people's jobs, whereas more than 60 percent is spam or simply unimportant.[65] What if all the time people spend winnowing their inboxes could be used more creatively?

Many organizations are moving away from e-mail toward collaborative, real-time technologies that boost knowledge sharing and encourage the free flow of ideas. They also allow people to use their time better. Synchronous groupware applications, such as shared whiteboards, video, chat, and interactive decision-support systems, are gaining popularity. They are sought out especially by young people who expect up-to-date social technologies.

Wikis are a particularly important kind of social software that allow people to collaboratively create documents and Web sites. (see Blogs and Wikis, p. 15). The tremendous popularity of wikipedia.org ("the free encyclopedia that anyone can edit"[66]) attests to people's hunger to make contributions and build on each other's ideas and creativity. At SAS, for example, a travel wiki has evolved that allows employees to collect their experiences on traveling to some of the company's 424 offices throughout the world. If someone is traveling to the Finnish office, they could learn how to get there, how big the office is, which hotels are good, and where to find favorite restaurants. They might also find links to learn about the country and gain advice on social norms. Because the site is created by users, it continually evolves; updates happen naturally. And unlike static sites, which "push" content onto users, wikis encourage contribution and interaction, thus conveying a sense of community.[67]

Wikis are also powerful enterprise tools. Services such as TWiki.org, for example, allow users to combine free-form content with structured content. That means users throughout organizations can help keep intranets up-to-date (taking the pressure off of Webmasters), and managers can bring distributed teams together to shorten project development cycles. Enterprise wikis can also gather the broader community around products once they've been developed. For example, SAS recently launched its SAS®9 architecture, services, and tools. An enterprise wiki, The SAS®9 Encyclopedia (also known as "saspedia") allows R&D staff, consultants, and others to learn, document, develop, and use products based on the new software.[68]

Tools like wikis are particularly powerful when integrated into the sites where communities of practice (CoPs) gather. CoPs organize people and content around topics that are directly relevant to their work. Rather than pushing information and knowledge on people, these real-time virtual spaces allow people to find what they need when they need it. And because they connect people with shared interests, they foster the social bonds that people seek in their jobs, especially when they work at a distance. (see Communities of Practice and Strategic Networks, p. 16).

Providing collaboration tools is the first—and often the easiest—step. How people use the tools is critically important because it is through people's interactions that value can be created. To get the most out of their investments (and to fuel the collaboration that creates value), leaders are wise to focus on the quality of people's relationships when they connect with one another. They might also understand the nature of people's networks and how collaboration tools help (or hinder) the execution of strategy.

4. Stimulate rich networks of high-quality relationships

People have always reached out to those they know and trust to address problems, to do their jobs, and to create new opportunities. But as organizations flatten and technology links people across multiple boundaries, organizational charts rarely capture the way work really gets done. As jobs and roles become more complex, people need to reach out to ever-broader arrays of players to learn and progress.

Most people build their networks instinctively. They tend not to consider ways they might be even more effective. Yet the networks of high performers share common traits. They are broader and more diverse than those of average or lower performers.[69] High performers connect with people from different parts of their organizations and beyond. Their relationships span hierarchies, generations, gender, and ethnicity. They are more geographically diverse. High performers—and innovators, in particular—also build robust external networks with people who will challenge their thinking. Conversely, low performers tend to stay within the confines of their particular domain or comfort zone, which limits their perspective and isolates them from fresh ideas. Finally, the networks of high performers are carefully formed; their relationships are not ad hoc, but cultivated in ways that engender trust.

So what can individuals and leaders do to help build networks that advance professional and organizational growth? Social networking tools are one path. Popular Web-based applications such as LinkedIn, Spoke, Friendster, and MySpace assist individuals in building and managing their networks of contacts. Such tools can help a sales representative, for example, to discover leads to new customers. Other sites, such as NineSigma.net, YourEncore.com, and InnoCentive.com enable managers to expand their frontiers by tapping networks of scientists and engineers.

Another powerful tool, Social Network Analysis (SNA), maps people's networks in ways that allow them to improve their connections. (see Social Network Analysis, p. 15). SNA can be used in many ways. Individuals can run personal network analyses that allow them to evaluate the diversity of their

networks. In this way, they detect ways to broaden their networks so that they may progress in their careers. More commonly, leaders use SNA to map people's relationships and flows of knowledge in critical areas. In the case of a merger, for example, SNA can detect structural holes (for example, gaps in trust or information exchange) that hinder performance; or they can detect levels of interaction and energy among key leaders.

Veterans of SNA find that mapping networks is often the easy part. Shifting behaviors to create lasting change is much harder. People often have solid reasons to defend their behaviors because of competing commitments (conscious or unconscious) that they are often loathe to release.[70] They are also heavily influenced by their environments. Reward systems, for example, may inadvertently punish people for collaborating. Or work demands may limit people's abilities to connect with key contacts. Such issues crop up in professional services firms when high utilization rates require people to stick within the confines of colleagues and clients, limiting their ability to engage with external players who can stimulate their thinking.

Finally, leaders can go far by encouraging people to pause, listen, and more fully engage with one another. In the rush to get things done, the nature of many interactions these days is transactional. People get so caught up in the wave of doing things that they often don't really hear and learn from one another. Rushed interactions lead to misunderstandings, stilt personal and professional growth, and sap performance in the long run. They can lead to errors in judgment. And they create a superficial foundation for trust, loyalty, and knowledge to grow.

> *The future performance of our organizations will come down to the quality of our conversations.[71]*
> *–Hubert Saint-Onge*

5. Cultivate communities
Communities are proliferating in many organizations as leaders recognize the powerful role they play in learning, innovation, and execution. Research on biotechnology firms, for example, finds that those that foster a sense of community achieve shorter cycle times than those that operate as bureaucratic hierarchies.[72] Communities serve other purposes as well. They offer people a haven of shared identity, belonging, and support—a place to make sense of complexity and change. They are also powerful magnets that draw people's commitment. People rarely blink an eye at leaving an impersonal entity such as a large corporation, but they think twice about leaving their friends. People are also much more likely to invest extra effort for colleagues with whom they share interests, experiences, and emotional bonds than they are for leaders they barely know.

At a more pragmatic level, communities allow managers to manage processes faster and more effectively than traditional structures. In oil companies, for example, communities of practice (CoPs) form around critical projects such as deep oil well drilling, bringing people together across geographic and organizational boundaries. CoPs can save organizations millions of dollars by helping them to quickly respond to changing customer needs, to improve supply chains, and to streamline product development processes. They also grease the wheels for knowledge sharing. (see Communities of Practice and Strategic Networks, p.16).

Finally, communities are powerful because they help organizations develop social capital—the value people produce when they work together to achieve mutual goals. *Social capital* emerges when groups build trust, a shared understanding, and a willingness to cooperate in ways that produce something greater than the sum of their parts. In comparison, an individual builds *human capital* through his or her unique education, knowledge, and skills. Both human capital and social capital are important, but as work becomes more complex, organizations need to pay particular attention to the ways in which people build social capital, especially as it emerges through their participation in networks and communities.

6. Make meetings more meaningful
Too often individuals and groups come together in meetings simply to inform others of their progress. The result is crammed agendas and an endless steam of charts, graphs, and bullet points. Participants resort to multitasking on their laptops and Blackberries to stimulate their senses while presenters drone on. These kinds of meetings offer platforms for self-promotion, but often do little to enhance connections between people, build a sense of purpose, or spark the ideas that lead to innovation and growth. Ideally, people should leave meetings feeling that they have learned and grown from the experience and that they can do their work more effectively by having participated. Or, the meetings shouldn't happen at all. SAS, for example, people meet when demands warrant it, not because it's in their calendar. Dr. Jim Goodnight, SAS's CEO (who has led the company's nearly 30 years of continuous growth and profitability), has been known to stand up and leave a meeting when it becomes unproductive. Information is offered in various forms of shared electronic spaces; and it is one of managers' responsibilities to make sure that people are talking with each other in the normal course of their jobs.[73] [74] Managers are encouraged to communicate with employees daily, not just in the year-end review.

When meetings have to occur on a grand scale, they should be memorable—and stretch participants in some way. Rather than fixate on agendas of back-to-back presentations, leaders can stimulate meaningful experiences by crafting exercises that spark imaginations, by orchestrating intentionally designed interaction (whether facilitated sessions or "open space" events), and by allowing people time to digest and

reflect on what they have learned. By stirring up meaningful conversation, leaders invite people to share ideas, broaden their perspectives, and re-imagine their day-to-day work in new and constructive ways.

In the past decade, many exercises have emerged that facilitate adult learning and creativity, from simple breakout sessions that bring groups together around specific topics to multiple-day sessions in which large groups create visions for their future.[75] Technology revs up the process by offering instantaneous feedback, which is critical when large groups come together infrequently and time is precious.[76] When leaders design highly participative meetings that invite people to lend their voices around topics important to them, they receive valuable input. They also reinvigorate people's connections—to each other and to a sense of purpose—in ways that build energy and sustain commitment.

7. Design physical space that fosters connections—and allows for concentration

The role of physical space may get short shrift in a world where technology unites people across oceans. After all, why worry about the layout of an office or factory when employees can Instant Message one another with the flick of a thumb? Yet when groups share common missions in a single location, the design of physical space can catalyze the informal interactions that lead to learning and innovation. It can also make the difference between an energized and an apathetic workforce.

> *Research done by Tom Allen of MIT found that the frequency of communications between technical workers falls precipitously when their desks are more than 30 meters apart.*[77]

Rather than group people by department, many organizations group interdependent people around key strategies and projects. Both proximity and layout are important. When communication and interaction are critical elements of the work process, open work spaces are more conducive to overall effectiveness than closed office environments.[78] The spillover of conversations can encourage informal networking that may not otherwise occur. This is especially important for younger generations, who expect stimulating workplaces that foster social interaction.[79]

In addition to collaborative space, however, people need quiet space in which they can think and reflect. Knowledge work varies, but it's estimated that people spend two-thirds of their workdays working individually.[80] Yet individual, closed spaces are often nixed when leaders run the real estate numbers, resulting in productivity losses that are tangible, if hard to measure.

Layout decisions ultimately depend on the objective at hand. By and large, though, leading organizations pay close attention to physical space, allowing people the flexibility they need, when they need it: dedicated teaming spaces for formal collaboration; quiet workplaces where they can concentrate; and informal areas in which to relax, brainstorm, or simply run into others. They pay attention to other factors, too, such as allowing people control over lighting, which can impact their motivation, task performance, health, and well-being.[81]

8. Build an organizational cushion of time and space

There's an insidious disease operating in today's workplace. We call it "noise." And it's not just ringing cell phones and the constant ping, ping, ping of e-mail. Information and cognitive overload of all forms dampen performance, inhibit creativity, and hurt decision-making. Other forms of noise, such as frequent rightsizing and reorganizing can disrupt people's networks, relationships, and goals in ways that damage morale, fracture trust, and trigger toxic behavior. Shifting priorities and continuous "fire-fighting" stifle innovation. Moreover, intense pressure to achieve often leads to hyperactivity, frequent distractions, micromanaging, and individual heroics that thwart team performance.

In many ways, the conditions brought about by today's hypercompetitive economy have created a vicious cycle. The faster we run and the harder we try, the less we achieve. People find themselves jumping from one activity to the next and racing through conversations in a mad flurry to keep up. They tackle their days in bits and bytes, but find it hard to achieve anything of consequence. Many are burnt out by technology, too. They are attached to their gadgets; yet endless streams of calls and emails are more likely to feed feelings of inadequacy than fulfillment.

Studies around the globe report how workplace problems, from declining job satisfaction to low employee engagement, are due in part to the noise created by toxic interactions, constant restructuring, and 24/7 technologies. No matter the metric, the trend is clear: people at all levels in organizations feel increasingly stressed out or checked out. As one executive reported, "Our people don't feel a sense of loss anymore when they leave their jobs."[82]

This lack of connection may seem like a soft issue, but it is not. The way many key people work today is simply unsustainable. It endangers the health and hurts the performance of individuals and organizations alike.[83] Left unchecked, flurries of activity, multitasking, and raced interactions can stifle innovation, collaboration, strategic execution, employee engagement, and commitment.[84] And when people lose a sense of connection to people and purpose, performance suffers.

By providing people a cushion of time—to learn, think, reflect, or pursue other interests—organizations achieve greater performance and employee engagement than by pushing them to the end of their ropes.   They are also likely to spur greater creativity. At Google, all engineers are given "20 percent time" to pursue projects that they are passionate about, resulting in products that might otherwise have taken an entire start-up to launch.[85]

Separate studies conducted by researchers at Harvard University and MIT document leaps in productivity when people are granted distraction-free, protected time to get their individual work done. They find that three things threaten knowledge worker productivity most: (1) interruptions and

Bringing It All Together: Creating the Connections that Delight Employees and Customers

Leading software provider SAS has been much lauded for taking care of its employees, from the 70,000 square foot recreational facility and the Montessori school offered at corporate headquarters in Cary, North Carolina, to the on-site massages offered in its South African office. As Jeff Chambers, SAS' VP of Human Resources explains, "We will do anything—as long as the numbers add up." And therein lays the stipulation: the numbers must add up. Through one lens, the eight-lane swimming pool, health care facilities, on-site dry cleaning, and auto detailing are wonderful perks. Through another lens, they make pure business sense. SAS estimates, for example, that the SAS Health Care Center saved the company $4.5 million in 2005. The value of services provided by the Health Care Center exceeded overhead costs by more than $2 million. And SAS estimates that the company saved an additional $2.5 million in employee time savings because of the Center's accessibility on the Cary campus. SAS benefits support the company's core strategies of innovation and commitment to customers. Finding quality childcare and healthcare, or squeezing in a gym workout, could be distractions that hold many people back from doing great work.

For employees seeking to escape from their jobs, eliminating distractions (to focus on work) might seem like drudgery. But at SAS, freeing time to do cool work is a reward in itself. In return for the support they receive, employees generate consistent results for which they can feel proud. SAS's solutions are used at more than 40,000 sites, including 96 of the top 100 companies on the FORTUNE Global 500®.[87] Because the company offers its solutions on an annual subscription basis, customers have the opportunity to vote with their feet every year. Yet the subscription renewal rate averages 98 percent, a remarkable return in a fickle industry. And two-thirds of its subscribers increase their investment each year. In 2005, SAS revenues topped $1.68 billion, marking 29 straight years of continuous growth and profitability.[88]

The company extends its support to employees in many other ways, as well—connecting them to the things that matter most for performance. For example, the vast majority are provided individual offices so that they have the quiet time they need to concentrate. When they

wish to collaborate, they are offered attractive communal spaces. At SAS's headquarters in Cary, North Carolina, an artist-in-residence oversees the installation of art and sculpture throughout the campus[89]—a point of pride among employees when they receive visits from family and customers. When people don't have pressing projects, they have the flexibility to focus on their families and outside interests. Indeed, the 70-plus hour workweeks of competitors are shunned. As Dr. Jim Goodnight, SAS's CEO, often repeats, "After eight hours, you're probably just adding bugs."[90]

SAS keeps its talent intellectually engaged, as well, by allowing them to take risks, or dig "deep holes" in SAS vernacular. The company spends an average of 25 percent of its revenue on R&D—part of its commitment to offer a continuous stream of innovative products and solutions for its customers. Experimentation is seen as crucial for breakthroughs. But leaders also know when to stop, as happened in the case of SouthPeak Interactive, a venture into video gaming. As Dr. Goodnight explains, "We were spending $3 million to bring in $1 million…. I thought, 'If this thing gets any bigger, I'm going to go broke!' When the hole gets big enough, get out of it! Don't keep digging it. You've got to have the sense to get out of that hole."[91]

Beyond investing capital in R&D, SAS further fuels innovation by connecting to its customers in compelling ways. Indeed, the customer voice at SAS is "loud, clean, and unfiltered…as unambiguous as a stock quote."[92]

Bringing It All Together, cont'd.

Customer complaints and suggestions are monitored—and acted upon—daily through a web site and over the phone. Once per year, the company invites feedback from users on the additional features that they seek. For most of the company's 30 years, it has implemented the top ten requests, and taken action on approximately 80 percent of total requests.[93]

SAS creates other direct connections to its customers. In every product manual, SAS users can find the names of software developers to make direct queries. Moreover, the average wait time to talk with technical support is a mere 34 seconds, and more than three-quarters of customer issues are solved within 24 hours.[94]

But perhaps the depth of SAS's connection to its customers shines most at its annual users' conference. Rather than being an endless monotony of speakers and PowerPoint presentations, or a session for customers to vent their frustrations, the conference has been described as something akin to a Grateful Dead show: "a hotbed of creative energy…a forum for two groups of mutually respectful stakeholders to challenge each other to improve and innovate."[95] It is not in the corporate culture to hide problems or to withhold constructive criticism; open and honest dialogue is expected.

SAS takes its employees' concerns just as seriously. When the 2006 employee survey revealed specific issues needing attention, Goodnight wanted to understand the issues and possible solutions. He convened an employee committee representing all major SAS divisions. Its goal: propose action plans to executives. "The time that our employees took to provide valuable feedback tells me that they care about this company," Goodnight said. "They want to see that what works will continue, and that what is not working will change."[96]

For all of these reasons, SAS employees are uncommonly loyal. The hiring process is rigorous, but employees work an average of 12 years. Turnover is low—about 4 percent, in an industry where 20 percent is typical. SAS estimates that it saves more than $75 million a year in recruiting and retraining costs.[97] Additional "User Connections" meetings bring customers to SAS world headquarters to give R&D staff direct input into software development.

SAS does not achieve the loyalty and engagement of its employees based on perks alone. Instead, it evolves as part of a virtuous cycle. Talented employees are given the means to do great work as part of a long-term commitment. Employer commitment inspires employee commitment, which spurs customer commitment. The foundation of mutual trust and respect is reinforced. Great results evolve. The pride of achievement fuels even greater energy to excel, and so on.

distractions, (2) perpetual crises caused by micromanaging and unnecessary change, and (3) individual heroics that hurt the performance of the whole. They also find that leaders who glorify emergencies and view long hours as noble and heroic actually hurt performance by triggering stress, burnout, and family conflict that infect the workplace. [86]

The pressure on organizations is unlikely to ebb. But true to paradox, the more leaders and individuals increase the pressure on themselves and others, the less they will gain in the long term. The key is to help make the hours that people spend at work more meaningful (and enjoyable) so they are not forced to do their "real work" at night and on weekends. This requires creating distraction-free workspaces, refusing to micromanage, protecting people's time so that they can get their individual work done, and providing people the flexibility and tools they need to do great work. In some instances, leaders may also need to restore the administrative and managerial support that has been reengineered out of many organizations.

Getting started on getting connected

Connecting people in ways that improve performance is not solely the task of leaders. Everyone in an organization must be involved. Following is a list of questions that leaders, managers, and individual staff can ask themselves—from the top down and from the bottom up.

Top-down
Connecting People to People
1. Networks and communities. Have people tools and permission to build the internal and external networks that they need to learn, innovate, and grow? What are you doing to foster communities of support and innovation in critical areas?

2. Toxicity. In what ways are toxic words and actions tolerated or ignored? Is conflict handled skillfully—or does it tend to be avoided? What behaviors might encourage people to engage in self-protection—and what can you to do shift that?

3. Conversations. Do you encourage open and honest dialogue? Do people feel unquestionably safe to raise questions and debate options in the quest for sound solutions? What are you doing to help people at all levels become more skillful in their conversations?

Connecting People to Purpose
1. Strategic Alignment. Does everyone in the organization have a clear sense of strategic direction and his or her role in achieving it? Do they invest their hearts as well as their heads and hands? If not, why not—and how might that change?

2. Identity. Do your people bring their "whole selves" to work? Or do they bury their ideas and creative energy in an effort to fit in or meet political agendas? Are you leading by example?

3. Belonging. Do your hiring practices draw people with the values on which you build your brand? Do your on-boarding and management practices encourage the behaviors that you need to execute your strategies? In what ways do you cultivate a sense of belonging—and the trust on which that is built?

Connecting People to Resources

1. Physical and financial support. Do people have the physical space that they need to concentrate, collaborate, and do great work? Have they budget and permission to build networks and execute upon goals in ways that promote long-term learning and growth (theirs and others')?

2. Technological support. Do people have the knowledge, technology, tools, and systems they need to co-create, collaborate, and execute? How might they respond?

3. Time and energy. Are your people so consumed with e-mail, tasks, and meetings that their real work gets done at night and on the weekends? Do you encourage rejuvenation—as an important strategy for full engagement? In what ways do you tolerate or reward the individual heroics (for example, working non-stop or distracting others) that can hurt performance?

Bottom-up
Connecting People to People

1. Networks and communities. How rich and diverse are your internal and external networks? How might you bolster them to learn, innovate, and grow? How might you foster community around ideas that matter to you and your organization?

2. Toxicity. In your interactions with others, do you speak openly and honestly in a way that is respectful to others? Or do you avoid conflict in a way that allows problems to brew until they boil over?

3. Conversations. Do you seek to learn from every interaction and experience in ways that help you to develop and grow? Do you fully listen to others without rehearsing your next line or focusing on what's wrong with their ideas? Do you reserve judgment and seek to understand their situation in ways that meet mutual objectives? Or do you consistently show up as "the knower," pushing your insights and opinions on others?

Connecting People to Purpose

1. Strategic alignment. Do you have a clear sense of the strategic direction of your organization and how your work contributes to results? Are you clear about your career direction, needs, and expectations, and how they align with organizational goals? If not, what can you do to take personal responsibility for your situation?

2. Identity. Do you believe your work matters? Do you feel a sense of ownership and personal accountability for your results? If not, what can you do to improve that?

3. Belonging. Do you feel a sense of belonging among your colleagues? If not, why not? Do you actively seek coaching and mentoring relationships? What can you do to improve your connections with co-workers?

Connecting People to Resources

1. Physical and financial support. Are you creating the physical space that you need to think, reflect, learn, and do great work? How can you procure the budgetary means to deliver on your goals—in ways that don't hurt others' efforts to deliver? Are you communicating your needs in ways that align with organizational goals?

2. Technological support. Do you have the tools, technology, resources, and support you need to do great work? What assumptions do you hold about what is available to you? Can you create a viable business case for change?

3. Time and energy. Do you find that you do your "real" work at night and on the weekends, when others have gone home? If so, can you structure your days differently to change that; for example, by creating blocks of undistracted time? How do you impact others' ability to work—for example, by distracting them or ignoring them? Do you allow yourself to rejuvenate as a means to engage more fully?

> *You must be the change you wish to see in the world.*
> *– Mahatma Gandhi*

High-quality connections are contagious and virtuous when leaders and individuals work together to create living networks of high-trust relationships; an ongoing sense of mission and purpose; and cushions of resources, time, budget, and space. In these ways, the three types of connections create a self-reinforcing spiral that propels organizations toward improved performance.

Appendix: Tools and Approaches to Connect People for Performance

In the last decade or two, tools and techniques have emerged to foster better connections between people and improve their management of electronic resources. Some of them are listed here, chosen because they are relatively new approaches or because they are underdeveloped in organizations today. Topping the list are interventions that have emerged in the past decade with the advent of technology. "Softer," more common interventions (that yield hard results) follow. All impact people's connections to each other and to the sense of meaning that they derive from their work. Each intervention also enables people to better manage the resources they need to perform.

Social Network Analysis

Social Network Analysis (SNA) is a methodology that brings transparency to the informal networks through which work gets done. In essence, it is an "x-ray" of the relationships between individuals, groups, and organizations.[98] It brings light to such things as who shares knowledge with whom, who goes to whom for advice, how frequently individuals communicate with one another, who holds power, who holds things up, and who trusts whom.

If a manufacturer wishes to strengthen its relationship with a key vendor, for example, SNA can be used to map people's connections across critical touch points, revealing ways that they can work better to achieve mutual goals. If the intent is to innovate, SNA can help groups better integrate their experience and skills. SNA can also be used by individuals to evaluate their own networks in ways that foster personal learning, growth, and performance.

The study of social networks has existed since the 1930s. But it is only recently that software has emerged to model the complex relationships that exist in organizations. As such, the widespread use of SNA is in its early days. When used properly, it has helped organizations to boost innovation, enhance learning and knowledge flows, improve customer responsiveness, and retain and engage their key people. But SNA is not a silver bullet. It brings transparency to often-invisible networks, but results depend on changing behaviors within those networks. To be effective, leaders must first build trust through their own behaviors. During the analysis, they must ask the right questions. Finally, to create sustainable change, they must understand the underlying assumptions and competing commitments that generate counter-productive behavior and work toward shifting them toward positive outcomes.

Blogs and Wikis

Blogs, short for Weblogs, are Web sites that allow individuals or groups to publish text, photographs, video, audio files, and/or links on a regular basis.[99] Wikis are essentially collaborative blogs. The lure of blogs and wikis is that they are low-cost and easy to use. Wiki means "quick" in Hawaiian, hinting at the time they can save individuals and organizations.

Blogs are appealing to users because they allow blog owners (known as bloggers) to share their creative voice and opinions with anyone who has access to the Internet. There are nearly 18 million blogs today, luring over 32 million readers.[100] Because they contain links to company Web sites, news articles, other blogs, or video and audio links, they can be easily indexed and accessed by search engines, making their reach and dissemination vast and swift.

This accessibility and personal expression have led many executives to fear blogs—or the damage that can be done to their organizations through a single negative posting by a disgruntled employee. Yet many executives are deciding that a better strategy is to join bloggers, rather than to avoid them. By taking the reins, they find that they are able to drive the blogging conversation in ways that positively enhance their public image and brand.

Blogs can also be powerful resources for knowledge workers in search of new ideas—or old ideas packaged in new ways. Because they are typically written in a conversational style, they are magnets for those averse to the formality and techno-speak of official sources of information, such as press releases, company memos, brochures, annual reports, and so on. Because they are updated frequently, content tends to be fresh. And because they invite other voices to join the fray, they promote dialogue and learning.

Wikis can be private or public, depending on the intent. While the content of blogs is controlled by a single blogger, wikis permit others to contribute to, edit, search and archive content with great ease, in real time. Because they draw contributors to a single site (where they can collaboratively create documents), they also eliminate the inefficiency of e-mail. Reports, analyses, and budgets can be created without the headaches of back-and-forth messages and confusion over version control. Because of their ease and low cost (virtually free), proponents believe that wikis offer the greatest promise among emerging collaborative software tools. Indeed Internet research firm Gartner Group predicts that at least 50 percent of companies will adopt wikis as mainstream tools by 2009.[101]

Communities of Practice and Strategic Networks

Communities of practice (CoPs) have been referred to as the "killer app" of the new millennium—a self-organizing way of bringing people together around a shared passion or purpose. CoP's have mushroomed in many organizations. They emerge whenever people regularly gather around topics that are important to them. In the past, this happened locally, or only when people could invest the time to travel and meet. Today, technology facilitates the connection of people in ways that were never possible before. Now, a group of engineers who share an interest in an emerging technology can gather online whether they are in Frankfurt or Bangkok. They can share documents, links, audio clips, and videos. They can chat with one another through text and voice, draw and collaborate, and invite other specialists in the field to resolve specific issues. Material is organized around relevant topics, allowing members to find answers to their questions by connecting quickly to content and experts. Unlike teams, communities are fluid and ongoing, until they no longer meet members' needs.

As CoPs have evolved, they have offered organizations insights into the power and dynamics of networks, both informal and formal. Some organizations support various forms of networks: informal CoPs, which tend to be ongoing and fluid with distributed leadership, and more formal "strategic networks" that focus on critical competencies and processes. At Chevron, for example, strategic networks have formal charters and annual operating plans, business unit sponsors, and designated leaders and core team members who agree to clearly defined deliverables and performance metrics. Members hold regular teleconferences and workshops, in addition to collaborating through Web sites. Facilitators help get networks off the ground, and an online toolkit guides the group through the design, launch, and sustain phases of the network life cycle. To date, more than 40 such networks have either been launched or are in-design in areas such as health and safety, exploration and production, refining, and information technology.[102]

Perhaps the single most useful aspect of global networks (whether formal or informal) is that they rapidly connect people with questions to those with answers to help solve day-to-day work problems, according to Jeff Stemke, a knowledge strategist for Chevron's Information Technology Company. He estimates that the value of such Q&A over the past three years for a global community of refinery engineers has averaged about $15 million per year. Savings from shared operational lessons learned have been as high as $30 million.[103]

Peer Assists, After-Action Reviews, and Retrospects

Peer assists acknowledge two truths: that most organizational knowledge resides in its people's heads—not in databases or file cabinets—and that learning is most effective when it is built into the context of a project or job. Peer assists are a way of learning *before* engaging in a complex, expensive task or project. Seasoned practitioners and specialists are invited to share their knowledge and experiences with a less experienced team, typically in one- or two-day facilitated sessions.

The company often credited with discovering the power of peer assists is BP Amoco. In 1997, then-British Petroleum Chief Knowledge Officer Kent Greenes went scouring for stories to improve the company's performance by tapping internal knowledge. As recounted by *Fortune* magazine, "He found his tale in the Schiehallen oil field, a North Sea field considered too expensive to develop until a team spent six months pestering colleagues to share cost-saving tips. They were called wimps for not rushing out to 'make hole'—but the learn-before-doing approach saved so much time on the platform (at $100,000 to $200,000 a day, not counting drilling costs) that they brought the field into production for $80 million less than anyone thought possible."[104] By formalizing the ad-hoc practice that the Schiehallen development team had stumbled upon, Greenes went on to save more than $700 million in the first two years—essentially through a formal process of storytelling and advice sharing.

Over the years, peer assists have become part of the culture at the now-combined BP Amoco. They are part of the "federal behavior" that is expected of all employees. As emphasized by Bob Gregory, Senior Consultant Leadership Development at BP, peer assists offer key people a "wonderful experience to work with smart colleagues."[105] Although individuals are not compensated expressly for their contributions, it is considered an honor to be invited—recognition that one's knowledge and experience are highly regarded. Participants usually find that the opportunity to learn far outweighs their investment of time.

BP Amoco enhances learning *during* a project by pausing at key milestones, using a process it adopted from the U.S. Army called "after-action reviews" (AARs). AARs typically pose four questions after each "identifiable event," throughout the duration of a project: What was supposed to happen? What actually happened? Why were there differences? What can we learn? Learning is interactive and directly connected to results. And because peers put one another in check as lessons evolve, the likelihood of behavioral change is much higher than during traditional learning approaches, such as classes, after which people typically disband.

The learning doesn't stop once a project is over at BP Amoco. Project members consolidate their learning *after* the project is complete in an exercise referred to as a "retrospect." Team members reflect on what went well and what could have been better, and package their insights in reusable ways so that others benefit in future. Learning *after* doing is critical. Research suggests that 50 percent of the value of a learning experience can be extracted through its follow-up—not during, but *after* a learning event.[106] The value of capturing lessons is especially potent when they are shared with others throughout a system, as happens when insights are carried into future peer assists. In this way, the cycle of peer assists, AARs, and retrospects creates continuous value.

Mentoring and Coaching

Mentoring and coaching are familiar concepts to many leaders. However, they are gaining even more traction as job roles change at an ever-increasing rate. What is the difference between mentoring and coaching, why are they important, and how are leading organizations using them to boost the performance of critical talent?

In a mentoring relationship, individuals with experience pass along their insights to those who need it. A coach, on the other hand, guides a person toward an end result by assessing his unique capabilities and strengths, providing advice, and monitoring his progress.

Unlike traditional forms of training, which rely on the wholesale transfer of skills and knowledge, mentoring and coaching focus on individuals' unique skills, capabilities, and learning styles. As such, they provide an adaptive "just-in-time" approach to learning that boosts performance and employee commitment. Because they are carried out within the context of a job or role, they encourage action around real business issues. Moreover, mentoring and coaching programs increase people's stake in their jobs by providing one-on-one contact. Because employees feel valued and connected, mentoring and coaching programs tend to enhance morale and motivation, thus reducing turnover. They focus on interpersonal skills, which are particularly important in an economy where relationships are the name of the game.

The forms that mentoring and coaching take in organizations vary widely. At defense contractor Lockheed Martin, for example, experienced executives are paired with less seasoned workers to help retain crucial knowledge in the face of retiring Baby Boomers. Mentors and their protégés learn from one another, spurring new ideas that might not spring forth without an intentional effort. A key aspect of their effectiveness lies in the ways that knowledge is shared. Rather than ask veterans to tell them everything that they know, new recruits and protégés are coached to ask for specific examples, stories, and experiences to illuminate their understanding. As one young employee remarked, "Knowing that this company has given me [this] tremendous opportunity makes me more loyal to the organization."[107]

At Novartis, a mentoring program for scientists is opened once a year. Potential mentorees offer their names, and a list of volunteer mentors is also generated. Their profiles and objectives are compared in a matching process, with the aid of an external consultant. Once matched, mentors and mentorees meet when they can, in a way that suits their needs. Moreover, all pairs of mentors and mentorees gather three times a year to talk about a topic of their choice. They take it upon themselves (with support from management) to set up speakers and presentations for the meetings. But they also use some of the time to discuss how they can best learn from one another and get the most out of the mentoring program. Halfway through the year, the program is evaluated. Phil Read, head of HR Global Development, estimates that only about 10 percent drop out due to inappropriate chemistry. Novartis finds that the benefits to mentorees are clear—but mentors gain a lot, too, as they derive a sense of meaning by advising and guiding the next generation. They also find that teaching can be the most powerful form of learning.[108]

Mentoring is most effective when it's supported by formal structures. Ad hoc approaches are not as effective because few executives and veteran workers have time, nor are they rewarded, for sharing what they know.

Coaching is a dedicated means to help a person or group perform. Just as a sports coach spots things that are difficult for a player to see in the midst of a game, a business coach reveals people's blind spots, or the things that hold them back from playing their top game. More often than not, coaching focuses on people's relationships—the thing that makes an organization work.

Perhaps the most significant change in coaching in recent years is its expansion throughout the organization. Once the privilege of top management, many leading organizations are seeking ways to integrate coaching behaviors at all levels of leadership. This is important because the quality of leaders' interactions is often the most important factor in their effectiveness. Effective coaching encourages frequent interaction with co-workers, open and honest conversation, and ongoing feedback and suggestions.

Ultimately, the power of coaching and mentoring comes down to "stickiness." Whereas skills learned in the classroom are often abandoned (either immediately, when people return to organizational realities, or eventually, due to the deep conditioning of old patterns of behavior), the learning and change induced by mentoring and coaching are more likely to be lasting. Moreover, they can be directly applied to burning issues in ways that produce immediate business results.

A Summary of Develop-Deploy-Connect

Develop. Whether you're a CEO or machine operator, work is getting faster and more complex. Few jobs can be accomplished in isolation, and technical mastery of a job is not necessarily a ticket to results. Jobs increasingly require cognitive and analytical capability, personal skills, political savvy, influence and persuasion, delegation, adaptability, and cultural know-how.[109] For leaders, the list also includes the ability to inspire talent, think strategically, and manage amidst paradox and uncertainty.[110]

Such capabilities tend to evolve through experience, outside the physical or virtual classroom. It is estimated that over 70 percent of what people know about their job is learned through everyday interactions with their colleagues.[111] People learn when they acquire, interpret, and apply knowledge around real-life issues in the context of their jobs.[112] They learn when they stretch beyond their comfort zones.[113] And they learn when they take the time and space to question and reflect on their experiences.[114]

Given the nature of learning, why do companies invest so much in traditional training? It's often because training programs can be packaged and measured in tangible terms. It's easy to track the number of classroom seats filled. On-the-job learning can be harder to measure. Yet leading organizations recognize that learning is most effective when it is knitted into the fabric of people's projects, roles, and jobs. They focus on outcomes, rather than the number of courses or hours of training that their people complete. They tie learning to tangible goals and results within the context of an organization's strategy. They build development plans around people's experiences—not just their technical skills or competencies. They encourage managers to meet regularly with direct reports to guide learning around unique capabilities and strengths. They provide people time and space to reflect. And they recognize that learning is social in nature, and that most of what people know comes through their networks and informal interactions.

Deploy. By and large, people are capable of doing many things. Indeed, some high-profile leaders were never educated or trained for the roles they mastered. Mitch Kapor was a disk jockey and transcendental meditation teacher before he founded the Lotus Development software company. David Ogilvy was a chef in Paris, a farmer in Pennsylvania, and a member of the British Intelligence agency before he made a mint in advertising. People learn the most in jobs that stretch them to grow, tap their unique skills and passions, and fuel their imaginations. And they perform when they can define their roles rather than have their roles dictated to them.

Leading organizations go to great lengths to engage the heads, hands, and hearts of their key people. They avoid pigeonholing people based on the confines of their resumes. Rather, they provide people multiple experiences to find their niches as their interests evolve over time. Yet they don't allow such exploration to happen ad hoc. They offer a clear strategy, good technology, supportive rewards, and lots of dialogue to align personal interests with organizational goals. They guide talent to cultivate the networks that lead to challenging roles and projects. They employ formal systems to manage performance. And they offer frequent dialogue and feedback, rather than wait for an annual review to evaluate progress.

Connect. As jobs become more complex, *whom* people know and *how* well they work together are often more important than *what* they know. People increasingly work across informal networks to get things done and progress in their careers. Technology allows them to work with a broad range of internal and external players that fall way beyond the walls of organizational charts. Those who build trusting relationships across a rich and diverse group of players build social capital that helps them to achieve results and land jobs and projects where they thrive.

As people work increasingly through informal channels, they must become more intentional about their networks and relationships across functions, hierarchies, and regions—not just within their domains of expertise. As one Deloitte Research study found, sales executives were much more likely to achieve their goals when they built strong connections with a range of players. In particular, they built strong mutual trust with their customers. They cultivated personal relationships beyond purchasing. And they deeply understood their account's strategy and processes. They also forged strong internal connections, gaining CEO sponsorship and building robust networks across the many functions that influence the customer experience, such as operations, R&D, and customer service.[115] As this study explores, people must also be able to better manage their resources and connect to a sense of purpose that aligns with broader organizational goals.

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Robin leads Deloitte's research on the human aspects of organizational performance. Her work seeks to catalyze conversation across a broad range of topics such as talent management; organizational knowledge, learning, and change; leadership; diversity; innovation; and growth. She has authored numerous studies and articles, teaming with faculty from MIT, Harvard, and INSEAD. Her current research challenges existing talent management practices and suggests a different approach in light of emerging trends. Her work has been cited in major media around the world, such as *The Economist*, *ABC World News*, *The Times*, *Investors' Business Daily*, and *The Globe and Mail*. She has presented at conferences and led executive roundtables in North America, Europe, and Asia Pacific. She sits on several executive councils, including the Learning Innovations Laboratory (LILA) at Harvard University; the Executive Development Network; the Network Roundtable at the University of Virginia; and the Working Knowledge council at Babson College. She has also served on the board of the United Nations Association.

Prior to joining Deloitte Research, Ms. Athey worked as VP of global Production and Quality at a subsidiary of Nike and was a consultant with Kurt Salmon Associates. She has lived and worked in eight countries across Asia, Europe, Latin America, and the former Soviet Union. She holds a B.S. in Industrial and Systems Engineering from the University of Florida; an M.A. in International Economic Policy from Columbia University; and an advanced certificate in HR and Organizational Development from Columbia University and the University of Michigan.

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