

Facing Up To Reality

Change hits us all hard at times, but listening to the some of the MPs' reactions to Sir Christopher Kelly's report on their expenses, you might be forgiven for thinking that they were the only ones who had ever had change imposed on them. So their system is to be overhauled: some will be out of pocket, some will loose money that they had hoped to make on their second homes (paid for by the tax payer) and some will have to foot some postage out of their salaries. Welcome to the real world!!

For most of us, change is the only constant we have and if organisational belts have to be tightened, then we are all expected to take a cut in some way. Unlike the MPs though, when these changes are introduced, they happen immediately – no “appropriate transitional” period for us. However, what does surprise me is that Sir Christopher Kelley isn't aware of the reality of employment law. The recently enacted Diversity and Equality bill clearly suggests that it is illegal to discriminate against anyone so how can he suggest that family members should not be employed. They could introduce a clause to say that employment can only be offered in the future if, like other public sector appointments, it has been advertised publicly and subject to the same scrutiny as anyone else applying for a public sector appointment. However simply to suggest that family members who are currently working should be sacked suggests that, like the MPs themselves, Sir Christopher isn't in touch with reality!

This sorry saga over MPs' expenses started me thinking. How do we face up to reality – indeed come to mention it, how do we ensure that we know what reality is in the first place. It is said that the Queen thinks that the world smells of fresh paint, and to an extent, leaders of business can be equally fooled. As truth and reality are fed up the line to the centre, successive managers tend to water down some of the harsh realities for fear of some of the blame sticking, so is it any wonder that so many CEOs are out of touch with reality.

Back in history, Wellington used what he called “directed telescopes” to find out what was happening in battle. They were young subalterns who were sent directly to the front on horseback and who, independently of the normal chain of command, came back with their accounts of what was happening. Perhaps what we need to introduce into our own businesses is a modern form of directed telescopes. Good communication is often cited as a key business attribute, but employees are wary of speaking up – not just because they fear the consequences of their action - but because often they have done so in the past (perhaps in another organisation) and have not been praised for their actions. The emotional memory of their put down then persuades them to keep quiet in future.

So leaders have to endure the fact that someone else has put people off speaking up? Yes that's right. As leaders we have to accept others reality and perception, even if they are still influenced by past experience in which we have not had a part to play. But we still have to create a culture and systems that ensure that we do get to hear what it is really like. I am reminded of a plc

FD I know who joined a successful organisation. He quickly saw that cash debts were too high so he sent the word out that area leaders in the business should focus more on cash collection in the last two months of the financial year. This would enable him to show that the cash balance was rosy when the plc reported to the City. As a result of the call, many area leaders stopped paying sub-contractors in December!! If the City had heard that, they could reasonably conclude that the plc was in financial difficulties and the impact on the share price would have been disastrous! The FD never (to the best of my knowledge) got to hear of how his call was translated into action, but had he heard, he would have been horrified.

So getting back to the question, the way that we do get to understand reality is to produce systems and procedures, supported by a culture that encourages the sharing of truth, fact and reality – not as one CEO I know of demanded ‘we want complaints’ – so that those at the top of organisations make decisions based not on fantasy but on reality. We need to ensure that those who “whistle blow” are supported (try telling that to NHS staff) and that it is not a case of “shoot the messenger” but of “what can we learn?” In this, we are not supported by the media who have a tendency to ask “who’s to blame” as soon as something goes wrong.

Barack Obama is apt to quote his mother who would often ask “ How do you think that would make you feel?” By doing so, she would get Barack Obama to put himself in the shoes of the other person. Perhaps this, above all is the best way of understanding reality. The changes propose by Sir Christopher may not be fair on every MP (many of whom have not profited from the previous system), but from the ordinary person in the street, it looks as though MPs have had their snouts in the trough for some time. How does it make them feel to hear MPs (salary £65K plus allowances) complain that they have been hard done by? Perhaps MPs need their own form of directed telescope!

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