

Why Has Management Theory Spent A Generation Suppressing One Idea?

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What drives agility in large, complex organisations? Management specialists have spent a great deal of time, trouble and money creating and communicating a clear purpose, yet most are finding it makes not a jot of difference to behaviour in the organisation. There is a gap between purpose at board level and the experience of employees and customers.

Agile, entrepreneurially-minded organisations achieve agility not by having a purpose but what they do with it. These businesses display a clearly defined set of drivers within their cultures that are the secret to bridging the purpose gap, and making purpose work in an organisation.

The major difference in these organisations is a strong cultural assumption of trust. These cultures tend to be open, compassionate and creative, rather than inward looking, fearful and controlling.

Purpose can only create value and impact if people implicitly trust in its authenticity. That impact can be remarkable. According to [Paul Zak](#), neuroscientist and author of 'Trust Factor: The Science of Creating High Performance Companies', when compared with people at low-trust companies, people at high-trust companies report 74% less stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives and 40% less burnout.

Trust Doubles Productivity

In more traditional cultures based on control, people are instinctively distrustful of the company's purpose, robbing it of its power to change things for the better. In a study of 600 middle managers in a global bank whose CEO had created and communicated a compelling and authentic purpose, strongly supported by the board, the percentage of managers who identified with or even believed the purpose was in low single digits.

Trust allows people absolute confidence in their expectations of how they will be treated, which means everyone's energy is focused on making good things happen in the company rather than on protecting their own positions. People feel confident to try new things and go the extra mile which makes these cultures open, creative and outward-facing. People strive for self-improvement and mastery because the default setting tends towards learning before blaming.

Compassion Requires Action

There is nothing soft or altruistic about this. Compassionate management isn't simple empathy: it requires action and gets results. It is about creating exceptional productivity and efficiency. It is about building agile, responsive and highly effective cultures.

These cultures do not happen by accident. It is not an instant fix. As Jeff Weiner, CEO of LinkedIn, who has consistently built a culture based on compassionate management, says: "Trust equals consistency over time. There's no shortcut for either".

What drives trust, allows purpose to thrive and transforms cultures is a marked difference in the organisation's approach to people. Whilst it's not always perfect, people tend to feel valued and trusted because management from the top to bottom is encouraged and supported to consistently act and behave differently. This is about managing compassionately, using a specific skillset that gives managers the knowledge and confidence to

understand another's point of view and take more time to listen and understand. These skillsets can (and usually need to be) taught. As Steven Covey says: "developing trust is a learnable skill". Jeff Weiner concurs, arguing that "compassion can be taught".

No Shortcut to Good Management

To create a culture built on trust requires a conscious and courageous choice for senior management, backed up by consistent and sustained focus. An entire culture can be transformed only when enough people are working, thinking and feeling differently to reach a tipping point. As a rule of thumb, 15% of the organisation's management at every level needs to develop a fundamentally new way of thinking in order for change to become permanent and self-sustaining.

Compassion is a core part of the human condition, yet management theory and practice has just spent a generation trying to suppress it. Perhaps it's time to release people's natural compassion in the workplace. As LinkedIn has discovered, the rewards of creating cultures that are innovative, open and always learning can be extraordinary.