Authenticity 2.0

Why customers and staff demand authenticity from you and your organisation

A practical whitepaper on how you can create and maintain an authentic, inspiring company and team culture.

THERE IS NO QUESTION ABOUT IT – YOUR BUSINESS IS UNDER THREAT. A COMPETITOR HAS JUST ARRIVED INTO YOUR INDUSTRY TO DISRUPT IT IN A MAJOR WAY BY OFFERING SOMETHING UNIQUE TO CUSTOMERS THAT SORTS THEIR PROBLEM OUT QUICKER AND CHEAPER.

Welcome to the new voice of business – an era in which it is totally appropriate to be totally authentic.

Or they are about to. This competitor will be run by someone who seems just out of nappies - impossibly inexperienced and strategically naive. This new competitor may not have a marketing budget, relying solely on social media. They may blog openly and frankly, and embrace criticism, owning up to their faults in a warm and human way. And they may be incredibly successful, snaring 15% market share in a matter of months.

Welcome to the new voice of business – an era in which it is totally appropriate to be totally authentic. In this special report from Natural Training, we look at how organisations are embracing a natural, human approach to business, and just how many more sales and customers you can be reaching as a result.

The human, emotional, warm organisation

In his book Political Saavy, Joel R Deluca suggests that there are two ways to look at organisations:

1. Organisations are rational systems that use humans in them.

**2.** Organisations are human systems attempting to act in a rational way.

If your belief is skewed towards the latter, human systems to acting in a rational way, then you're not alone. In today's business world there are all sorts of windows into organisations that have risen due mainly to the proliferation of social media. Organisations may be moving online in all sorts of creative ways, but the real winners are the ones who maintain a personal, human relationship with their customers. They talk openly about their challenges, honestly about their pricing models, and open themselves up to both praise, and criticism. The word that sums all of this up is authenticity.

In today's business world, being authentic and human wins every time.

Think about it for a moment. When was the last time you were on Amazon's 'homepage'? The answer is: not for many years. The reason is Amazon doesn't have a standard homepage. Everything they do is optimised to you: the information they serve, the colours of the pages and newsletters – even the testimonials and ratings system is skewed towards people you identify with. In today's business world, being authentic and human wins every time. Faceless, cynical organisations who plaster over the cracks with fake smiles, lines and policies get found out in seconds by a public demanding personal warmth.

After all, if organisations functioned rationally all the time, we would find the best way of doing something, make it standard practice, ensure everyone learns the new way, and the result would be a perfectly productive system, with no issues. The fact that we are emotional beings prevents that from happening, which is a very good thing indeed. Consider these examples:

• Pitching for new business: often a pitch isn't accepted based on the rational quality of the proposal, but on whether there is a good rapport with the people who are presenting it. The alternative is definitely true – "there's something about that company I just didn't like…even though they had the best offer."

• Teams that like and trust each other tend to communicate more, share information easily, help each other and ultimately be more productive.
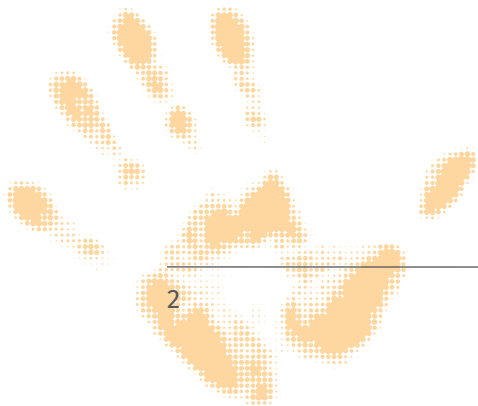
• From a leadership perspective, employees that like and respect their leader will be more likely to spring out of bed and look forward to coming in to work. Whether someone has the right (rational) credentials to do the job therefore becomes secondary.

The problem is that we continually believe and try to run our organisations as rational systems with humans in them. This is evidenced from our legal system to our boardroom. Think of a time where a law was introduced as a blanket solution to a specific problem de jour. In the boardroom, the one-sized fits-all solution is applied in many areas. Now let's take our examples from above, and apply a systemic, rational approach:

• When scaling a sales team, Managers will often ask teams to learn a standard pitch deck, script or approach. This approach can backfire, because a standard approach gets standard, dull results. Customers feel that they are getting a 'canned' approach, and their mental energy is drained as a result.

• When it comes to teams, we often see managers try to impose the latest theory of what makes good teamwork, without considering the corporate culture, environment of the marketplace, or the people in the team. The result is far from teamwork, and closer to cynicism.

• From a leadership perspective, there are countless books on 'how to be a great leader'. This creates leaders who try to be the next Steve Jobs, or Sheryl Sandberg in a country, culture or context that isn't appropriate.

The self-help book industry is a £7bn industry. This is an industry dedicated to telling us how to improve our lives, both personally and professionally. It seems that everywhere we look someone is trying to 'fix' us, telling us there is something innately wrong with how we currently are, or are not working. The message is: "You are doing it all wrong, but don't worry, with this – product, book, process, methodology – you can be fixed and you will be successful."

What if there is another approach? A way of looking at the world, personally and professionally that is not a standard or a benchmark? What if we just relaxed, stopped trying to be like everyone else and found our own natural rhythm? What if professional development programmes were dedicated to helping employees learn more about who they are, and where their natural preferences lie? How would this more human approach, which considers that we are unique and have distinct qualities and innate, unlimited, creative potential, impact the workplace? What would happen if we finally accepted that organisations are human systems and not rational systems?

To answer these questions, first let's look at what's happening around us, right now, every day.

Our current reality

Every day, we are hearing about a new industry being 'disrupted' by a competitor that emerges from an unprecedented hotbed of ideas and start-up energy in the UK, US and right throughout EMEA. Today, it is not just the occasional company that gets caught out by innovation, but entire industries.

Industries are getting 'disrupted' frequently: think of the impact Uber is having on Black Cabs and Yellow Cabs, Air BnB has had on hotels, Google Maps has on TomTom, or how Alibaba has cut out the middleman importer, establishing direct relationships with manufacturers in China and throughout the word. How about the impact Spotify has had on I-tunes, which itself disrupted tradi-

> **What if we just relaxed, stopped trying to be like everyone else and found our own natural rhythm?**

tional music publishing and distribution companies like EMI? Zendesk and it's impact on traditional helpdesk environments? GoPro has disrupted the video camera market in a profound way – companies like Canon have seen sales in DSLRS halved by a competitor who blind-sided them. Peer-to-peer lending has created more traditional banking 'emergency boardroom meetings' than any other factor since 2008, with companies like Lending Club disrupting the traditional banking channels.

Here is a simple test: 5 of the biggest worldwide public listings (IPOs) of 2014 were Alibaba, Pets at Home, Zoopla, GoPro and Virgin America. Take 10 minutes now to visit each website, assess the language they use, the blogs they maintain, their social media presence, and answer the following question:

Do these companies talk in a rational, mechanical way, or do they present an authentic, emotional way?

Almost exclusively, the latter is true.

Natural, human, warmth and authenticity isn't just attracting a feel-good factor. It attracts as much cash as investors can throw at it.

What are you doing to offer a human window into your organisation?

» *Both captions are from Alibaba.com. The first screen shot, taken in 2012, shows a price driven site featuring products. Fast forward to 2015, and Alibaba now has pictures of humans telling stories. They realise that while the world is price driven, our emotional minds buy into the stories of people a bit like us.*

UK start-ups in 2014

Total: 581,173

2014   **LONDON**   2013   *Numbers are up by*

184,671   **VS**   152,084   **32,587**
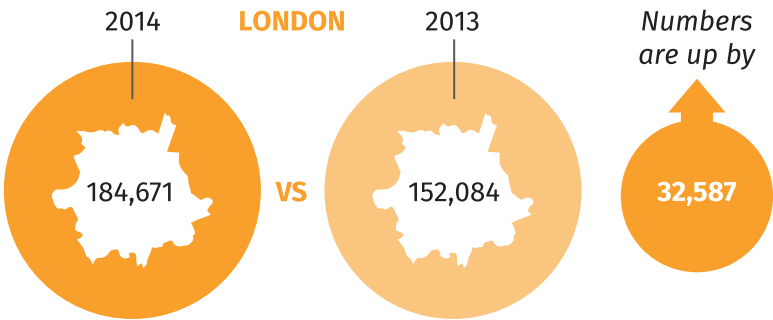
» *Source StartUp Britain*

A major impact on authentic, natural business world is our new workforce composition as it relates to two main drivers: size of company and age of workforce.

2014 was a hallmark year for start-ups in the Capital. Over 30,000 new start-ups registered compared to 2013. Most of these organisations will be offering a unique edge to their offering, and that authenticity will spread through the rest of their industry.

The UK Commission for Employment and Skills has predicted that there will be four generations working side-by-side by 2030, with younger demographics (15-24) having an increasingly profound impact. Wide-eyed and keen to disrupt traditional industries, this younger generation will be very keen to make their mark.

Actual and ilustrative projected age structure of UK employment , 2002-32

Thousands

■	65 and over
■	50–64
■	25–49
■	15–24
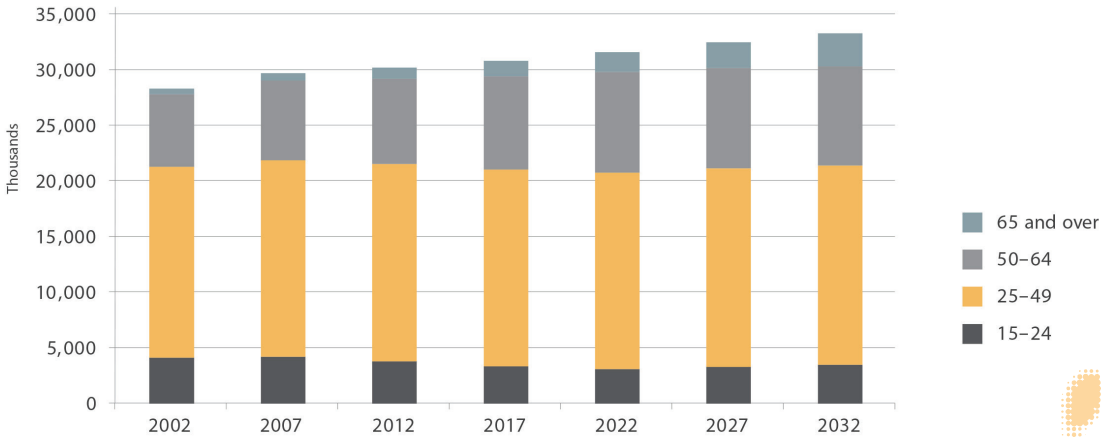
» *Sources: CIPD calculations based on ONS 2012 principal population projections and revised mid-year estimates for 2002 and 2007, employment rates for May-July 2002 and 2012 based on the Labour Force Survey and CIPD assumptions for employment rates for 2017 onwards.*

Finally, let's look at the world around us as individuals. In the war for talent, individuals who you want to keep want more than just money. As Daniel Pink says 'We cannot give people money and expect them to be engaged. Main drivers for motivation also include: alignment of purpose and autonomy - more space and responsibility to work."

All this change means the winner of the day will be the flexible, human and authentic organisation – not the rational, rigidly structured one.

Why is authenticity important?

A recent article by Jacquelyn Smith in Forbes, explored this issue of authenticity in the workplace, and its purpose. She suggests that people are more likely to bring their full creativity, commitment, and motivation to work if they are able to be authentic, and reveal their true selves.

"Authenticity and transparency also builds trust among employees and leaders. The way employees are treated will also affect how employees treat customers", says Smith.

She goes on to add that environments that choose not to promote authenticity and transparency may harm themselves in the long-term because once word gets around that they lack such qualities, their industry may respond unfavourably to them. As a result, their business may be short-lived.

Have you ever heard the phrases: "There is something about that person I didn't warm to" or "I can't quite put my finger on it, but something is off with that guy"? We innately know when someone is not being authentic. Our instincts are activated and we start to question our trust in the other person. Without trust, we stop really listening to the content of what the person is saying, and focus on trying to prove or disprove our suspicion. This dynamic ends up leading our actions, and the more rational side of the business deal gets lost.

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Authenticity brings back human warmth into the business. It is our birthright to be naturally ourselves no matter where we are - at work or at home. When we are natural, it reduces resistance from others. When we are comfortable and relaxed, great things start to happen. We aren't so concerned with trying to be something we are not and we can act with the other's best interest at heart. When employees don't have to act, or force a behavior, clients buy-in and colleagues are moved to take action. Authentic people win, and so do authentic organisations.
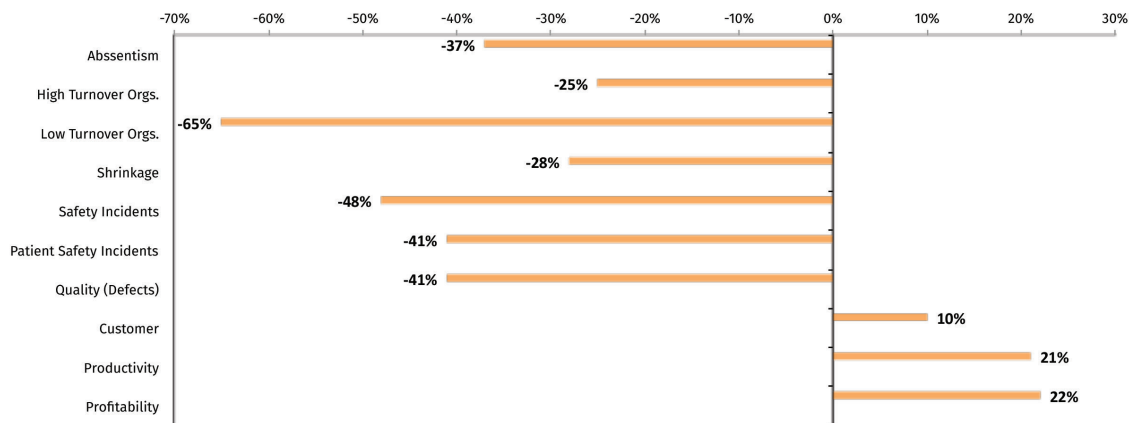
Authenticity leads to employee engagement

When we believe in something we are driven to succeed. We feel we have a role. We want to do well, because we are fighting for a common cause. The word for this is engagement. We are fully invested, or engaged, in our company, our hobby, our family or our project.

» *This graph shows the strong link between engagement, and key performance indicators such as profitability*

Engagement´s Effect on Key Performance Indicators
Median differences between top- and botttoom - quartile teams

|	
Abssentism	-37%
High Turnover Orgs.	-25%
Low Turnover Orgs.	-65%
Shrinkage	-28%
Safety Incidents	-48%
Patient Safety Incidents	-41%
Quality (Defects)	-41%
Customer	10%
Productivity	21%
Profitability	22%

» *Source: Gallup: State of the Global Workforce: Employee Engagement Insights for Business Leaders Worldwide/*

Developing your authentic, natural business: 'The Three A's'

If you feel that you have work to do to transform your work place into an authentic, natural business, then the time to start is now. To support employees and leaders to be authentic in the complex workforce we described earlier, we recommend building a campaign around the following cornerstones, also known as the '3 A's': awareness, acceptance, action. This three stage process has been used by psychologists for many years as a series of stepping stones to effective change. They are interlinked – each step must happen before the other, and shortcuts don't work. For example, an individual may be Aware of the need to be healthy, but they may not Accept that it relates to them. They therefore may not Act by developing a more healthy lifestyle.

Here is a simple explanation of each as they relate to creating a natural, human workplace that helps you to retain customers, sell to new customers, while attracting and retaining the best staffing talent in your industry.
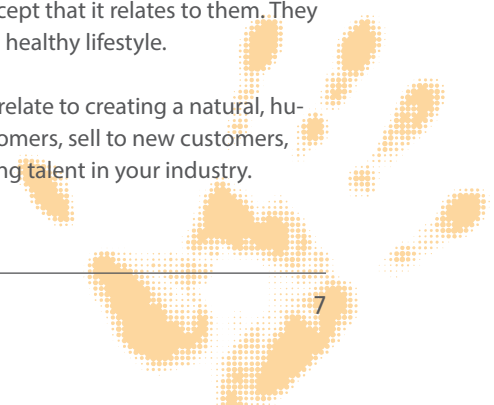
Phase 1: Awareness

The starting point to any meaningful personal or professional development is a healthy self-awareness. This could begin with an organisational Authenticity Audit, and/ or individual self-assessment tools. There are many personality profiles on the market today, ranging from an in-depth look at personality, to how you naturally solve problems. For example, use our Natural Strengths Profile – a quick, simple assessment that provides a 360 degree view of an organisation or individuals authentic, natural strengths. This gives us the opportunity to 'map the DNA', capture what you are doing well, and where we need to target to make your organisation aspirational and authentic.

No matter what tool you choose, the important aspect is bringing a new consciousness to your organisation – effectively holding up a mirror, and perhaps for the first time, seeing what you REALLY stand for. A new-found awareness is such an important step to help you leverage strengths and fortify areas of weakness. Likewise, teams who understand and appreciate style differences can collaborate more effectively. Team members can go beyond simply tolerating the fact that people have distinct preferences and can actually turn style differences into a point of advantage, rather than a point of stress or conflict.

This is most important to consider in the four-generation workplace of our near future, where the difference in skills, experience and styles will be more pronounced.

The graph below outlines an employee's views of challenges of working with colleagues of different ages. Surfacing some of these challenges during your Awareness Phase is the first step to enable teams to benefit from diversity, instead of being hindered by it.

Employee views of challenges of working with colleagues of different ages (all that apply) (%) (n=2,691)

• Misunderstandings	**29**
• Lack of shared interests	**32**
• Potential for disruptive conflict	**22**
• Lack of shared values	**28**
• Difficulty in developing trust	**9**
• Difficulty in gaining agreements	**9**
• No particular challenges	**31**
• Don't know	**8**

Misunderstandings, conflict and trust issues dominate organisations without an open, natural, authentic approach. Source: CIPD, March 2014, Managing an age-diverse workforce

Phase 2: Acceptance

Once there is organisational, team, or individual awareness, the next phase is acceptance.

Employees need to accept, or buy into, the desire to have an organisation that is authentic, natural and warm, for the benefits that abound

(customer and employee retention, sales and satisfaction being some of the most important key indicators).

For example, with understanding and acceptance of difference in one another's style can teams leverage individual strengths to become productive and high performing. Rather than work in silos, how much more interesting would it be to truly understand and accept the impact your Finance department has on your organisation? Rather than ignoring the 'same old moaning customer', how about confronting the complaints and once and for all accepting that it may in fact be your responsibility?

From an organisational point of view, when there is acceptance of the real status of the organisation, then thoughtful action can be taken to improve or change the status. Without awareness or acceptance, an organisation can continue operating with a level of denial, until it is too late. A new company emerges in your market place, and as previously describes, disrupts your industry in such a profound, authentic way that they steal market share, and maybe some of your talented people, from right under your nose.

The culture of authenticity is founded on awareness, and acceptance. This lays the foundations for the most beautiful of change agents: Actions.

Action

Once we have awareness, and acceptance, the last key to making positive change toward creating an authentic workplace is action. Action helps to bring about the change that will propel an organisation into the next level of growth or impact. To create authenticity, the action must be congruent with ensuring that employees are behaving in line with their values and their strengths. A professional development programme can be intrinsic to this – helping employees to identify the actions that will make them more connected to who they really are, and how that can be translated in their role.

How to develop authenticity in three different employee communities: Graduates and junior managers, middle managers and leaders

Graduates & Junior Managers

Junior managers and graduates typically fall into the Millennial generation, or generation Y (birthdays ranging from early 1980's to early 2000's). In Karl Moore's study of this demographic, he suggests: "The authentic self is a goal for all four generations alive today: Seniors, Boomers, Xers, but most especially, Millennials. It can mean something different for each generation, and it evolves over time. We believe that Millennials are the most critical – they are the future. The better you are at being an authentic leader, the more your Millennials employees will appreciate you." *(Source: FORBES: Authenticity: The Way To The Millennial's Heart).*

Moore suggests that technology and social media has made it easier to learn about each other, and thereby making it harder to fake who we really are. He goes on to say that Millennials want to be able to be themselves. They are not interested in playing 'the game' their parents did. They saw the cost: failed marriages, little work-life balance and a level of 'same old day' fatigue. Millennials don't want to be squeezed too much into a corporate model.

"They want their employers to respect their individual differences and embrace the potential that these unique qualities can bring. Millennials tend to be idealistic. They have great stores of energy and hope. They want to believe that every person's apparent character represents who they truly are (their authentic self) and that the culture within organisations will encourage and enable this authenticity", says Moore.

Corporations, however, can expect that Millennials conform to the pre-existent culture of the organisation. This creates an environment where they have to compromise who they are and what they stand for – the very opposite of the internal voice that is screaming at them.

How do we develop a Graduate or Junior Manager?

This demographic values authenticity, yet are at an age where they themselves are still learning who they are. Professional development at this career stage focuses on looking inward – self-discovery and exploration.

Graduates and junior employees typically haven't done a lot of self-assessment or self-awareness work. They are still trying to learn how to do the rational part of the job. A programme that has a component of self-exploration is ideal: what is your natural selling style and how can you make it work for you? (Versus "Here's how to sell – just read this book").

When developing this demographic, it's important for them to explore more than one way of doing something. At this early stage in their career, they don't relate to many tangible work-based examples or scenarios. A programme with simulations and case studies based on life (negotiating for a pair of jeans) is a great way to help them apply personal approaches.

As with any professional development programme, plenty of space for feedback will help make learning impactful. Giving specific, authentic feedback on a day-to-day basis will keep grads and junior's engaged and improve productivity. Developing authenticity is the key to success, personally and organisationally.

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"All throughout my University years I learned to both have a voice, and to listen. My creativity was encouraged – even if it was 'wrong'. I learned to collaborate, drawing out the talents of people on my team and playing to their strengths to solve a challenge, or meet a project deadline. I started to realise that others could really help me – to keep my motivated and inspired – and how I could best motivate others to achieve their goals too. We were visited by all sorts of industry leaders and entrepreneurs, who would speak to us about how their workplaces kept these discoveries to were creative and adventurous. After I graduated I proudly took these ideas and experiences into my first job, which was in a retail outlet. It really couldn't have been further from my expectations. We were pigeonholed into the same 5 things every day, and it was mind-numbing at times. I had no voice, no ability to express myself or receive any feedback. I felt that I could have worked there for another 20 years and no-one would have noticed me. I instantly lost faith in the wider world, and it took me a little bit of time to get my confidence back."

Chris Mortimer,
University of Nottingham Trent
Graduate

Managers need to create an environment where juniors can experiment, and feel supported. In our sales example above, they can create opportunities for the juniors to apply their own thinking and approach to a sales call. This could be with a low risk client. Adopting a coaching or mentoring leadership style will help this demographic flourish.

Karl Moore's research has also identified that this demographic look to mentors to help them navigate their job on a daily basis. "They have grown up with the notion that one must constantly seek the advice of another, and social media has put this notion on steroids. Millennials live in a world where once you post a picture of a potential purchase on Instagram, which then gets copied to your Twitter feed and Facebook page, advice and comments flood in within seconds." This need for feedback and advice has extended to the workplace. A development programme with a coaching or mentoring component is essential to helping Millennials flourish, and impact an organisation. Two–way coaching where the mentors learn from Millennials is even better.

Middle management

While the grads and juniors tend to look inwards, as they are still learning who they are and don't have much work experience to draw upon, Managers and Directors in the middle of the organisation tend to look both inwards (developing themselves for more senior positions) and outwards (developing others via succession planning).

Middle managers are typically at a place where they are managing the four-generational dynamic and working closest with the Millennials. With so many relationship dynamics to manage, gaining trust and being natural are the two most important aspects to being successful in their role. If middle managers are natural and authentic themselves, they will gain respect and create the human rapport we mentioned earlier. A quote so often attributed to Ghandi is "Be the change you want to see in others." Leading by example, in an authentic, natural way, generating trust, therefore seems to be of primary importance.

As part of their role, middle managers feed into the talent management cycle, and are the ones who are creating the High Potential programmes for the organisation.

Their skill comes in identifying and nurturing the next wave of managers. This means they have to identify potential, and it's really only authentic organisations where this is surfaced ahead of other more rigid performance metrics. Understanding and working with the natural style of others will help them to organise teams by leveraging on individual strengths. This is more effective than focusing on where development is needed and spending time and money trying to change people to be something they are not.

What do they need in terms of professional development?

Professional development programmes for this community are often centred on generic training products such as 'presentation skills', or a variety of issues bound into a 'management training experience' such as influencing, being persuasive and managing conflict.

However, standard, one-size-fits-all learning models to these topics are not overly useful to the middle manager/ director of today. The complex scenarios they deal with and the constantly changing environment they work in doesn't allow the time to learn, accept, adapt, and integrate someone else's way of doing things.

The best way to get results is to explore and work with each person's own natural style.

In presenting this means discovering what their natural voice is, and building on that to make presentations more impactful. The same applies with influencing, being persuasive or managing conflict. The natural approach is to speak in their words and express thoughts in a way that is in-line with who they are.

A good professional development programme will always allow plenty of time for feedback and coaching. However, at the core, should be a focus on discovering and developing a natural style that is unique to that individual.

A programme for middle management should start with self-awareness. In this case it is less a discovery of oneself, and more of a pause for reflection on their experiences. At this stage in their career, they can draw on their own work history to become aware of their strengths, limitations and emotions. They need to acknowledge their imperfections and mistakes and give up trying to present a 'perfect' version of themselves.

Their challenge is to create their own identity and realise their natural style, while helping others do the same. Awareness and acceptance of the various facets of who they are will help them to develop their own

leadership skills as they progress in their career, as well as connect with other employees up and down stream. A programme that is focused on developing their own authenticity, while learning how to inspire authenticity in others, would be very helpful to this group.

Senior leaders

As we have learned, junior managers tend to look inward as they learn about their role and their strengths. Middle managers look both inwards, as they think about their next step, and outwards as they try to inspire their teams. Senior leaders tend to look outwards in their role. They are setting the organisation's strategy for the next 3-5 years. They have their eye on the market, as well as thinking about how to engage and inspire a diverse workforce.

Authenticity is most important for this community, not least because others will model the behaviours they see and chose to follow (or not) a leader. Rob Goffee and Gareth Jones had this to say in Harvard Business Review:

"Leadership demands the expression of an authentic self. Try to lead like someone else—say, Jack Welch, Richard Branson, or Michael Dell—and you will fail.

Employees will not follow a CEO who invests little of himself in his leadership behaviours. People want to be led by someone "real." This is partly a reaction to the turbulent times we live in. It is also a response to the public's widespread disenchantment with politicians and businesspeople. We all suspect that we're being duped." *Source: Managing Authenticity: The Paradox of Great Leadership by Rob Goffee and Gareth Jones (December 2005, HBR)*

Unless we are Robert De Niro or Meryl Streep, chances are we aren't very authentic when we try to imitate someone else. We can learn from others' experiences, but there is no way you can be successful when you are trying to syndicate their style. It is important for senior leaders to find their own voice. Leaders who know how to manage their authenticity will be all the more effective for it, better able to both energise and retain loyal followers.

In Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value, Bill George challenged a new generation to lead authentically. "Authentic leaders demonstrate a passion for their purpose, practice their values consistently, and lead with their hearts as well as their heads. They establish long-term, meaningful

relationships and have the self-discipline to get results. They know who they are."

While there has been a lot written on this topic, and several CEOs indicate that they have a great willingness to become authentic leaders but don't know how. The great thing is anyone can become a great authentic leader – despite some popular thinking, it is not a trait one has to be born with. As Ann Fudge, former Young & Rubicam chairman and CEO said,

All of us have the spark of leadership in us, whether it is in business, in government, or as a volunteer. The challenge is to understand ourselves well enough to discover where we can use our leadership gifts to serve others.

What do they need in terms of professional development?

As with any professional development programme, self-awareness is the starting point. With senior leaders, the way to authenticity is to look at their own experience and stories. Their own stories hold insights into what they value and who they are at the core. Understanding this is the start to being an authentic leader. This also helps them to discover the purpose of their leadership, a key to being effective.

To become authentic leaders, senior executives require a commitment to developing themselves. A professional development programme for this community is centred on one-to-one coaching. Coaching will help to uncover the key values from their experiences as well as help them to be more conscious of the impact of their behaviours. Their behaviours are sure to be modelled in the organisation.

The most important thing for this group to remember is that leaders and followers both associate authenticity with sincerity, honesty, and integrity. It's the real thing— the attribute that uniquely defines great leaders. The more we can help this group to explore sincerity, honesty and integrity in their day-to-day roles, the more we can support them to become effective authentic leaders.

Authenticity wins the day

There are public conversations about you and your organisation happening right now, both externally through your customer and supplier network, and internally through your fellow employees, up and down the food chain.

These conversations may be critical, or inconvenient, but they cannot be quelled.

The sooner you adopt a natural and human approach to your culture, the quicker you will ensure these conversations are brought to life by enthusiasm for you and the brand you represent.

The new voice in world business is authentic and natural. The world's leading companies, from start-ups and IPOs, through to long established organisations, are learning that this voice quickly gathers support and trust. Papering over the cracks is a thing of the past.

It's closer than you think. You simply need to become aware of what authentic and natural means to you, and then accept what it can mean to your life, your team, your workplace culture. Then, you need to act, by bringing to life some of the ideas contained in this whitepaper. The rewards are great, and the time is now.