

ISB CTO

Week 18: Building and Leading Organisations

Apollo 13 Case Study: Overview

Apollo 11 had already made its historic journey to the moon, followed by Apollo 12. Now, the spotlight was on Apollo 13. However, at this juncture, it appeared that both the public and the government had waned in their enthusiasm for future lunar missions. The path to Apollo 14 seemed uncertain. The most visible components of this programme were, undeniably, the astronauts, exemplified by the likes of Neil Armstrong. These individuals were exceptionally qualified and skilled, as was evident with the Apollo 13 crew led by Jim Lovell. Yet, behind the scenes, Gene Kranz played a pivotal role as the less conspicuous program director, with a team of dedicated individuals under his charge.

As we dissect the Apollo 13 mission, we encounter various crises. First, the health of the Apollo 13 crew deteriorated, necessitating their replacement with the Apollo 14 team. Consequently, Jim Lovell and his crew were catapulted one mission ahead. Subsequently, a last-minute revelation regarding Ken Mattingly's potential exposure to German measles forced the substitution of Jack Swigert as a highly qualified but previously non-integrated pilot. The uncertainties surrounding these events were met with rampant speculation, illustrating the disruptive and chaotic nature of crises.

In such turbulent times, Gene Kranz, as the leader, faced the challenging task of making sense of the situation.

First stage of Don Sull's execution loop: Making sense

The first stage of Don Sull's execution loop, "making sense," is pivotal. Groupthink, where individuals conform to the prevailing opinion for expediency, is a common pitfall. Kranz, however, exhibited prudence by avoiding hasty judgments. He encouraged his team to investigate and share their observations, which led to the identification of issues such as gas venting into space and declining oxygen levels.

In moments of crisis, an atmosphere resembling the "fog of war" descends, where numerous information fragments and diverse opinions vie for attention. Kranz's skill lay in distilling facts from the cacophony of data and basing decisions on these facts. To counter groupthink, he fostered a culture that upheld the obligation to voice dissenting views. It is evident in the way he systematically sought the input of his team, creating an environment where differing opinions were not only welcomed but actively encouraged.

The second obstacle in tackling groupthink is hierarchy. When leaders express their views, subordinates often hesitate to challenge them. Gene Kranz's approach was characterised by informality, a human-centric perspective, and empathy. He focused on addressing the problems faced by the team, ensuring that decisions were rooted in factual information.

Second stage of Don Sull's execution loop: Making choices

Strategy is fundamentally a collection of purposeful choices. It encompasses what to do, what not to do, how to execute it, and the allocation of resources. Let's delve into how Gene Kranz embarked on this pivotal stage. He initiated the process with a resounding declaration: "Failure is not an option." This marked the commencement of his decision-making journey. One of his earliest choices was to abort the moon mission and prioritise the safe return of the astronauts to Earth. These choices would determine the path forward.

In the realm of strategic decision-making, it is perilously easy to succumb to certain traps. Anchoring on a single option, for instance, is a common pitfall, especially in the initial stages. This is where caution is paramount. Refrain from becoming fixated on a solitary solution, but instead, insist on exploring alternatives. Herein lies Gene Kranz's excellence. He vigorously encouraged the pursuit of alternatives. He delegated responsibilities, assigning specific individuals to address life support, the lunar module, oxygen, and fuel. Delegation was not merely a task but a process of empowerment that spawned innovative options. Even when deciding on the method of returning to Earth, whether by a direct route or utilising the moon's gravitational force, Kranz exhibited a willingness to listen to his team. His team members were forthcoming, endorsing the moon's gravitational assist as the optimal approach. In order to escape the snares of single-option fixation, an approach to consider is the "rule of three." The human psyche often gravitates towards triads, which tend to resonate with our thought processes. This rule encourages the insistence on three real options when crafting a strategy. Three options provide a spectrum of choices, allowing leaders to deliberate on which changes are necessary and how they will be implemented.

Despite the leadership responsibility that falls squarely on the leader's shoulders, the aim is to engender a qualified consensus among the team. It is not a blind consensus. A qualified consensus entails unanimous agreement that the outcome is tolerable, even if there may be disagreements about the means to attain it. In the context of Apollo 13, the overarching goal was unequivocal: bringing the astronauts back to Earth safely. This approach allows for flexibility and the potential to amend decisions when new information or superior options surface.

Third stage of Don Sull's execution loop: Making it happen

Following the formulation of a strategy for safely returning the astronauts to Earth and the allocation of responsibilities, the critical next phase was the implementation of these decisions. This entailed entrusting the astronauts in space with significant responsibilities, such as the task of manually switching off crucial systems, including the computer, which meant relinquishing its assistance in decision-making. These were pivotal decisions. Let's assess how this "making it happen" phase was executed.

One of the central facets of the "making it happen" stage is the assurance that everyone fulfils their promises. This hinges on the distinction between good promises and bad promises. A good promise is one that is fulfilled, whereas a bad promise is made with

unrealistic expectations or no intention of fulfilment. How do we navigate this terrain effectively?

It is prudent to shift from private promises to public commitments. Public commitments engender peer pressure within the team to ensure that each member honours their part of the deal. The collective responsibility among team members discourages any individual from letting the team down. This transition encourages active participation rather than passive engagement, fostering a sense of ownership and collaboration.

Moving from implicit understanding to explicit understanding is another fundamental aspect. Being explicit in outlining individual responsibilities and expectations minimises the chances of misinterpretation or misunderstanding. Clarity in roles and responsibilities is paramount.

An integral aspect of good promises is ensuring that individuals are held accountable for their obligations. It is essential for everyone to comprehend that accountability is a non-negotiable component of the process. An atmosphere of accountability is essential in the making it happen phase.

Lack of accountability is a primary concern. If individuals do not feel accountable, it can lead to failure or lapses in fulfilment. This contrasts with well-made promises characterised by public commitments and explicit ownership of responsibilities. Even in the case of the Grumman supplier, who had earlier expressed hesitation about the lunar module's capabilities, he refrained from overpromising and instead carefully considered his commitments. When the lunar module indeed returned to Earth, he celebrated along with the rest of the team.

A significant issue that can arise in the execution phase is a head-down approach, where individuals solely focus on implementation. In the context of Apollo 13, this approach could have been catastrophic, especially when a crucial decision emerged – to turn the command module back to Earth. If team members had simply executed this directive without consideration, it could have resulted in disaster. However, a vigilant team member pointed out that the lack of power made this plan unfeasible, thus necessitating the pursuit of an alternative solution.

To avoid blindly following a set path, it is crucial to build the opportunity for renegotiation into the process. This requires a foundation of trust, alignment, public commitment and a shared mission. In your organisation and culture, consider whether you allow room for renegotiation and if you can prevent the pitfalls of bad promises by promoting strong accountability.

Third stage of Don Sull's execution loop: Making revisions

One key lesson to glean from Apollo 13 is the significance of course corrections. No decision remains eternally valid. Directions may be sound, but the journey often necessitates adjustments along the way. Building room for renegotiations and flexibility into your strategy and implementation processes is vital.

Lessons Learned from Apollo 13

- **Significance of course corrections**

No decision remains eternally valid. Directions may be sound, but the journey often necessitates adjustments along the way. Building room for renegotiations and flexibility into your strategy and implementation processes is vital.

- **Meticulous prior planning**

This involves selecting the right individuals, empowering them to contribute effectively, and holding them accountable for their contributions. The underpinning of this process is a well-cultivated culture where trust among team members is paramount. Team members may not necessarily like each other or always agree, but they trust each other to fulfil their professional obligations.

- **Quick and decisive decisions**

Gene Kranz, the mission leader, demonstrated the importance of making swift and informed choices. From halting the fuel cells to implications and ultimately deciding to abort the moon mission and bring the astronauts back, the ability to make quick and decisive decisions was fundamental. The decision-making process should not involve prolonged indecision but rather swift, visible actions.

- **Importance of learning from mistakes**

When something goes awry, as it did in the case of Apollo 13, when the oxygen levels continued to drop despite the shutdown of the fuel cells, learning from these challenges is crucial. Rather than abandoning the strategy altogether, working the problem, making necessary adjustments, and embracing a continuous improvement cycle is a fundamental approach. Learning agility, with a focus on identifying areas for improvement, is a cornerstone of building resilient organisations.

The Apollo 13 movie, despite being a real-life case study from decades ago, imparts enduring leadership lessons that can be applied to our contemporary lives and organisations.

The Execution Loop: Role Playing

When commencing a new role within an organisation, the initial 100 days serve as a pivotal juncture for leaving your indelible mark. During this period, it is essential to convey your core values, desired behaviours and the cultural ethos you wish to cultivate. Use your first 100 days to clearly articulate your expectations and vision, fostering an environment that aligns with your values. While listening, engaging and initiating dialogues are essential aspects, they need to be underpinned by your unwavering commitment to setting the cultural foundation.

Leadership Lessons from Gene Kranz

Drawing inspiration from the Apollo mission, we can gain profound leadership insights. Early in the Apollo program, tragedy struck with a catastrophic landing site crash that claimed numerous lives. In the face of adversity, Gene Kranz assumed ownership and

delivered a powerful message to his team. He declared, "From this day forward, flight control will be known by two words: tough and competent."

Gene Kranz's unwavering commitment to being "tough and competent" underlines the importance of upholding values even in the most challenging circumstances. It is a powerful reminder that strong leadership can cultivate the culture needed to overcome adversity.

Rules of Effective Strategy Execution

As we aim for impeccable strategy execution, it is crucial to explore the six essential capabilities outlined by Professor Xavier Gilbert from IMD.

- **Stay Focussed**
Leaders must remain resolute in their focus, avoiding the allure of constantly changing priorities. Steadfastness in purpose is a cornerstone of successful execution.
- **Prepare Leaders for Execution**
Gene Kranz had individuals primed for leadership roles, underpinned by a robust sense of trust. As a leader, prepare your team to shoulder execution responsibilities before your strategy reaches its final form.
- **Structure Execution as a Learning Process**
Acknowledging that adjustments are an integral aspect of execution, particularly in the context of making revisions, is paramount. Plans rarely survive contact with reality without requiring modifications.
- **Ensure Organisational Alignment**
Effective communication plays a crucial role. It is essential to align your entire organisation and engage them at the hands, head and heart levels, much like Gene Kranz did.
- **Commit to Follow-Through**
The establishment of key performance indicators (KPIs) and rigorous monitoring is critical. Remember that what gets measured gets done.
- **Set People Up for Success**
Too often, leaders focus solely on strategy development, assuming execution will naturally follow. This approach can lead to failure. Instead, implement the principles articulated by Professor Xavier Gilbert, placing a strong emphasis on execution from the outset.

The Rules of Execution

A persistent challenge within organisations is ensuring that our strategies are executed effectively.

Complex situations often give birth to intricate solutions and guidelines. For instance, consider the HR policies of many corporations, which can stretch over 500 pages, making them arduous to comprehend, let alone follow. It is in this complexity that the idea of simple rules emerges. These uncomplicated guidelines, when well aligned with a company's culture, tend to be better understood, absorbed and implemented.

Netflix's One-Page HR Policy

Netflix provides an exemplar of simplicity in the form of a one-page HR policy. This concise document revolves around a fundamental principle: treat the company as if it were your own, refrain from imprudent decisions and act in a fiscally responsible manner. Their one-page HR policy demonstrates the power of straightforward guidelines. They foster trust while simultaneously reserving the right to respond sternly to breaches of this trust.

The South Pole Race

The legendary 1911 race to reach the South Pole featured two leading contenders: Captain Scott from Britain and Roald Amundsen from Norway. Both had diverse strategies and objectives. The contrasting strategies of Captain Scott and Roald Amundsen underline the significance of strategic choices. Captain Scott favoured a manpower-intensive approach, while Roald Amundsen adopted efficient methods, leading to success.

Business Success Story

Private equity firm 3G turned around a defunct Brazilian railroad by implementing "Vietnamese rules" they applied during the Vietnam War. 3G's triumph exemplifies the efficacy of simple rules in the business context, with emphasis on lower current costs and maximising short-term revenue. However, it is essential to note that these rules must be adapted to specific contexts and require piloting and testing.

Are We Born to Be the First Movers?

Leadership plays a pivotal role in preparing organisations for change. A vital element of this readiness is cultivating a culture that encourages teams to think differently, embrace new ideas and demonstrate learning agility.

Diversity

In the quest for diversity, the term "diversity" often comes to the forefront. We often hear discussions about gender, religion, ethnicity, age, and skills as valuable sources of diversity. There are compelling sociological reasons for promoting these forms of diversity. However, when we consider business and performance, we find that cognitive diversity takes precedence. Cognitive diversity revolves around the idea that individuals think differently, which has a significant impact on problem-solving and innovation. In a Harvard Business Review article by Alison Reynolds and David Lewis, cognitive diversity is presented as a key driver of creativity and successful decision-making. While gender, origin and other aspects are sometimes used as proxies for cognitive diversity, they do not guarantee it.

Having team members with diverse thinking patterns is essential, but it is not enough. An organisation must also establish an environment where these individuals feel valued and empowered to contribute. This concept encompasses what is known as psychological safety, where team members feel secure in expressing their opinions, ideas, and concerns without fear of reprisal or rejection. Hence, there are two vital dimensions to consider: cognitive diversity and psychological safety.

Navigating the Organisational Landscape

Organisations can fall into different quadrants based on their cognitive diversity and psychological safety. In one quadrant, we find low psychological safety and low cognitive diversity, which typically characterises bureaucratic organisations. While bureaucracies can be efficient for certain processes, they stifle innovation because they prioritise conformity and discourage diverse thinking. In another quadrant, organisations may attempt to build cognitive diversity but fail to create a culture that fosters psychological safety. This can result in a silo-based culture where individuals are quick to blame one another, leading to unproductive conflicts.

The ultimate objective is to position an organisation in the top quadrant, where both cognitive diversity and psychological safety are present. Achieving this equilibrium allows teams to embrace a wide range of perspectives while feeling secure and valued in the organisation.

To promote cognitive diversity, organisations should actively seek individuals who think differently. This could involve hiring people from diverse backgrounds and thought processes. Embracing a variety of perspectives can lead to more well-rounded decision-making processes.

Fostering Psychological Safety

Creating an environment of psychological safety requires a shift in cultural norms. Instead of striving to win every argument or discussion, the focus should be on mutual respect and learning from one another's viewpoints. Team members should acknowledge and celebrate the diversity of opinions, and leaders play a critical role in cultivating this culture.

It is the responsibility of leaders to foster teamwork, encourage open dialogues and build tolerances within their teams. This may entail occasionally taking a backseat, refraining from revealing their opinions too soon, and actively seeking input from team members who may be less inclined to speak out. By doing so, leaders create an environment of psychological safety that unlocks the full potential of their teams and ignites their creativity.

When organisations succeed in balancing cognitive diversity and psychological safety, they pave the way for breakthrough thinking and innovation. Much like the legendary Apollo 13 mission control team, such teams demonstrate an exceptional ability to find solutions to seemingly insurmountable challenges. Cognitive diversity and psychological safety are the two essential components for nurturing a culture of

innovation and creativity. These elements go hand in hand in creating a climate where teams can thrive and generate groundbreaking ideas.

How to Create Culture

Professor Ghoshal poses a thought-provoking question: What does your organisation smell like? He elaborates that the culture, or the distinctive aroma of an organisation, is shaped by four essential factors. These factors are like building blocks that influence and ultimately craft the cultural fabric.

Factors Influencing Culture

- Strategy is defined as either a confining set of constraints or a far-reaching ambition. Equally important is how this strategy is communicated to the workforce.
- The second component is processes, which can lean towards a compliance-focused approach or a discipline-oriented one.
- The third facet encompasses team dynamics, where teams can operate on the basis of contracts or trust.
- Finally, we consider leadership behaviours, which can be characterised as control-oriented or support-oriented.

These four levers interact and intertwine to give birth to an organisation's culture. Depending on where an organisation falls along the spectrum, whether it leans more towards control, support, structural constraints or ambitious aspirations, a distinctive culture is cultivated. These four facets are inextricably linked and together create the essence of an organisation's culture. Strategy influences culture, which, in turn, shapes the implementation of strategy. The intricate interplay between these four levers moulds the overall culture.

The Balance of Processes

Let's not misconstrue the importance of processes. Professor Ghoshal stresses that processes themselves can shift along the spectrum, from compliance-oriented to discipline-oriented. Indeed, a measure of compliance-based processes is imperative to ensure the alignment with ethical standards and values. Banks, for instance, need to ensure adherence to central bank guidelines. Similarly, insurance companies must adhere to specific regulations. Compliance, to a certain degree, is essential. However, there is a tendency to overburden organisations with excessive compliance, and that is where the issue arises.

Nurturing Innovation: Behavioural Enablers

DBS, a Singaporean bank that underwent a profound transformation. Emerging from the constraints of a bureaucratic public sector bank, DBS embarked on a journey to break free from the ordinary and redefine banking. This transformation was spurred by a change in leadership, guided by Piyush Gupta, a CEO who was resolute in his vision of turning DBS into one of the most innovative banks globally. The critical support from the board, equipped with a substantial budget, paved the way for this radical

metamorphosis. A Harvard Business School article titled "Breaking down the barriers of innovation" provides insights into DBS's journey towards becoming an innovative powerhouse.

Key Behaviours Exhibited by Innovative Organisations

The most innovative organisations consistently exhibit five key behaviours. Firstly, they wholeheartedly believe that there is always a better way to perform tasks, cultivating a relentless pursuit of improvement. Second, they possess an unwavering dedication to comprehending both the stated and unspoken desires and needs of their customers. Third, they excel in cross-collaboration, extending their reach far beyond the boundaries of their organisation, ensuring active cross-pollination. The fourth element is the acceptance of the fact that success hinges on experimentation, rapid iteration and the courage to embrace failures, understanding that each setback carries valuable lessons. The fifth and final behaviour entails empowering individuals to take calculated risks, express dissenting opinions, and seek the necessary resources. How did DBS align itself with these behaviours? The answers lie within the Harvard Business School article, which I recommend revisiting to gain a comprehensive understanding.

BEANs: Implementation

DBS employed a multifaceted approach in their transformation journey. They introduced the concept of BEANs—Behavioural and Enablers, Artifacts and Nudges. They clearly defined the culture they aspired to cultivate, characterised by agility, a strong emphasis on learning, customer-centricity, data-driven decision-making and a fervent commitment to experimentation. DBS adopted a philosophy that encouraged the rapid testing of new ideas, embracing the philosophy that failure is not a stigma but an opportunity for learning. However, it was crucial that these failures were executed in a cost-effective and swift manner, ensuring that the lessons learned were applied to new ideas. Throughout our discussions in this course, we have emphasised the importance of building an organisational capability for experimentation, a key strategy for navigating the turbulent waters of external disruption.

DBS actively engaged in the process of identifying the blockers that stood in the way of achieving their desired behaviours. By posing questions such as "Wouldn't it be great if we could do XYZ?" and identifying the obstacles denoted by "ABC," they pinpointed the factors hindering progress. Once these blockers were identified, DBS formulated specific plans to overcome them. The culmination of this exercise resulted in a well-defined path towards achieving the desired behaviours.

DBS's Approach to Meetings

Recognising that meetings consumed a significant portion of employees' time, DBS introduced a transformative approach to meetings. They mandated that each meeting had a designated owner, responsible for setting the meeting agenda and selecting the attendees based on their relevance to the topic at hand. This practice aimed to eliminate the common habit of unnecessarily involving individuals in discussions. To ensure adherence to this practice, a novel role was introduced—the "joyful observer." This observer, typically junior to the meeting owner, had the sole responsibility of assessing

the quality of meetings. Their presence was not to participate but to objectively evaluate how meetings were conducted, ensuring active participation from all relevant attendees. The feedback provided by these joyful observers was considered constructively, and it catalysed the gradual transformation of DBS's culture.

The 70-20-10 Model

DBS consciously adopted a structured approach towards time management. They introduced a "70-20-10" model, wherein employees spent 70% of their time on their operational roles and dedicated the remaining 30% towards exploring new ideas, engaging in "blue-sky" thinking, and conducting experiments. The only stipulation was that employees who embarked on learning journeys were expected to return and share their newfound knowledge with their teams. This approach empowered teams to engage in continuous learning while actively disseminating the knowledge gained.

The Transformation

In the wake of these concerted efforts, DBS has achieved global recognition as the best bank and the best digital bank. In India, DBS acquired Lakshmi Vilas Bank and embarked on a transformation journey to evolve from an aging institution into a modern, digitally led and culturally vibrant organisation. This story of DBS, which transcended its highly regulated, compliance-oriented roots to embrace a forward-looking, data-driven, customer-centric, and agile culture, serves as a compelling example for us all. It signifies that even within heavily regulated structures, transformation towards an innovative, adaptive, and culturally rich organisation is indeed attainable.

Measured Transformation: Nestle Philippines Case Study

Salvador Pigem of Nestle, Philippines had valiantly attempted to institute changes during his two-year tenure but was unfortunately plagued by a terminal illness, which ultimately claimed his life.

Challenges Faced by Nestle

Nestle posed a significant challenge as its quarter one sales in 2005 had plummeted by an alarming 17%, and the shelves were burdened with an eight-month backlog of inventory. A staggering 17 overflow warehouses and 600 containers stranded at the port encapsulated the gravity of the situation. Consumer behaviour was evolving rapidly with the emergence of mobile phones and SMS technology, diverting spending from traditional food and beverage categories. Two formidable mobile phone companies, Smart and Globe, had rapidly ascended in the past five years, each rivalling the scale of Nestle. This paradigm shift demanded immediate action.

Actions Taken to Mitigate Challenges

The initial strategy adopted was twofold, focusing on short-term and long-term objectives. A Christmas promotion was launched in July of 2005 to expedite the removal of accumulated inventory. Simultaneously, a profound shift in long-term strategy unfolded, realigning Nestle from a conventional food and beverage player to a dynamic entity committed to nutrition, health and wellness. This transformation hinged on

innovation and recalibration, signalling a future-oriented approach. Additionally, a culture of rapid experimentation and trial and error was instigated, encouraging employees to explore novel ideas on a small scale.

Organisational processes were revamped. Many antiquated processes focused solely on historical data, whereas it was needed to pivot towards forward-looking methodologies. Legacy reporting was overhauled, making way for insights derived from real-time data, consumer preferences and market share. An innovative historical statistical forecasting tool was introduced, removing reliance on sales force-generated forecasts that often-carried biases. The tool accounted for seasonality and was receptive to challenges from marketing and sales teams.

Nestle, Philippines, grappled with deeply ingrained silo-based dynamics. Divisions blamed each other for the declining market, fuelling a culture of finger-pointing. To address this, we initiated transformative changes. The partition heights within the office space were reduced from nine feet to a more open three feet, creating a dynamic work environment. To further cultivate collaboration, business function teams were incentivised not only by functional targets but also by broader business goals. Additionally, annual workshops were organised, enabling employees to receive 360-degree feedback, fostering personal growth and stronger team dynamics.

The Transformation Journey

Leadership behaviours played a pivotal role in this transformation. My office underwent a significant downsizing by 50%, and glass walls were installed to enhance transparency. I regularly interacted with employees, conducted town hall meetings, and personally visited the market, factories and warehouses. Leading by example was paramount, setting a clear tone of importance and priorities. Notably, some of the key leaders who resisted change were respectfully transitioned out, while new, bright individuals were brought on board to drive the transformation.

This journey was not without its challenges, and it took 18 gruelling months to reverse the sales decline from -17% to zero. Throughout this period, the pressure was relentless, and the fear of dismissal loomed. However, the corner was turned, and Nestle, Philippines, embarked on a trajectory of consistent growth, achieving annual growth rates of 7-8%. The management of working capital was meticulously executed, liberating an additional \$500 million in cash. This strategy not only improved market share and consumer loyalty but also garnered accolades in marketing, advertising, finance, SAP implementation and HR climate surveys.

Importantly, the cultural transformation was not ephemeral but became a continued source of inspiration within Nestle. The story of Nestle, Philippines, underscores the efficacy of the four levers for cultural transformation—leadership behaviours, team dynamics, processes and strategy.

Introduction to Project Oxygen

In the early days of Google, founders Larry Page and Sergey Brin recognised that their team of high-performance engineers had a strong aversion to managers. These engineers did not appreciate being told what to do. In response, Google launched a project to explore whether teams could function effectively without managers and, if managers were necessary, what qualities made them effective. This initiative became known as Project Oxygen.

The Study and Key Insights

Google hired experts and gathered data to understand the role of managers in high-performing teams. They conducted experiments both with and without managers to assess team dynamics and productivity. The study revealed that technology teams, particularly in data-driven cultures, respond well to data-supported changes. Engineers required clear explanations for why certain changes were necessary, backed by data demonstrating their importance.

A particularly interesting discovery was that while engineers despised micromanagement on the technical side, they valued close management and mentorship on the career side. This insight, derived from a 2006 survey by Les Lo Bock, became a central component of Project Oxygen's findings.

From their research, Google identified eight key qualities that define a good manager:

- **Coach:** A good manager acts as a coach, helping the team grow and develop.
- **Empowerment:** They empower the team rather than micromanage, especially when not as technically skilled as the engineers they oversee.
- **Personal Well-Being:** A good manager shows concern for the team members' personal well-being, which plays a significant role in motivation.
- **Results-Oriented:** A manager must focus on achieving results, ensuring productivity and accountability.
- **Effective Communication:** Clear communication is essential for success in any leadership role.
- **Career Development:** Helping team members develop their careers is highly valued by engineers.
- **Clear Vision and Strategy:** A manager must provide a clear vision and strategy for the team, including how to handle setbacks and adapt when necessary.

In the context of Google, a good manager should possess relevant technical skills to provide guidance and support. While not universally required, this can be an added benefit.

When Google implemented these findings, they discovered that technical teams performed better with managers who exhibited these eight traits. Despite initial resistance from engineers to having managers, it was evident that a manager could add value if they embodied these characteristics.

Designing an Organisation with Effective Leadership

When structuring an organisation, it is essential to address the resistance engineers may have toward managers. A team should include leaders who are trained to display these key traits. This approach will help balance the need for leadership with the desire for autonomy among engineers.

Given the rapid pace of technological change, it is also important for managers to be learning leaders. They must be able to adapt their teams to new technologies and business needs, embracing an agile approach. A manager should possess the ability to let go of outdated practices and adopt new technologies as they emerge. This ability to continuously adapt and innovate is a crucial trait in today's fast-moving business environment.

These insights from Project Oxygen highlight the critical role of effective management in high-performance teams, particularly in technical environments. By fostering leaders who embody these qualities, organisations can improve team performance and ensure continuous growth and adaptation.

Culture as Continuous Change and Preparation for Change

It is clear that a well-forged culture can drive results, even within highly regulated and governance-heavy industries such as banking. Effecting cultural change necessitates working on four pivotal levers: strategy, processes, team dynamics and leadership behaviours.

Levers for Cultural Change

Our foremost lever for cultural change is strategy. It is imperative to craft a strategy that encompasses short-term and long-term goals, with a focus on stretch objectives rather than constraints. Effective communication is vital, as the strategy must resonate with the head, the hands, and the heart of every member of the organisation. Storytelling was often in the weekly town hall meetings. These narratives served to convey the 'what,' 'why,' and 'how' behind the strategy, aligning and engaging workforce.

The second lever, processes, plays a pivotal role in cultural transformation. Processes must evolve from a compliance-centric approach to a discipline-oriented one. While compliance remains imperative in areas such as quality and governance, it is essential to pivot towards processes that are forward-looking, responsive, and customer oriented. Striking this balance is key to fostering cultural change.

The third lever revolves around team dynamics. Cultivating trust-based behaviours, as opposed to contractual ones, is central to shaping culture. This entails redefining how teams interact and collaborate. By breaking down silos and encouraging open dialogue, organisations can reduce finger-pointing and enable teams to work collectively towards common objectives. Shifting incentives and creating opportunities for teams to self-assess and improve their dynamics further fuel cultural transformation.

The fourth and final lever addresses leadership behaviours. For cultural change to take root, leadership behaviours should shift from control-oriented to support-oriented. This change in approach is not only manifested in leaders' actions but also in their

accessibility and transparency. Leadership must serve as role models and set the tone for the entire organisation.

Diverse Applicability of the Culture Transformation Model

The culture transformation model is applicable across various industries, ranging from defence companies to banking and consumer goods companies. One striking example is DBS, where Piyush Gupta and his team successfully implemented cultural change by working on these four levers. Their journey paralleled the model we have discussed, emphasising the critical importance of strategy, processes, team dynamics and leadership behaviours.

Cultural transformation is not confined to the realm of business. A fascinating case in point is British cycling, which underwent a remarkable turnaround. Under the leadership of Dave Brailsford, British cycling employed a strategy centred on continuous improvement. The key was to break down the value chain of cycling into smaller components, each led by an expert. These experts were tasked with enhancing their specific area's performance by 1% each year, with the condition that their improvements should not adversely affect other parts of the value chain. By encouraging regular sharing of insights and cross-pollination, British cycling realised an astonishing 100% improvement in performance, ultimately triumphing in the next Olympics. The critical success factors in this story are simple strategy and unwavering commitment to a culture of continuous improvement.

Values, culture and inspiration play a pivotal role in shaping the destiny of an organisation. These aspects are intrinsically intertwined and wielded to drive exceptional outcomes.