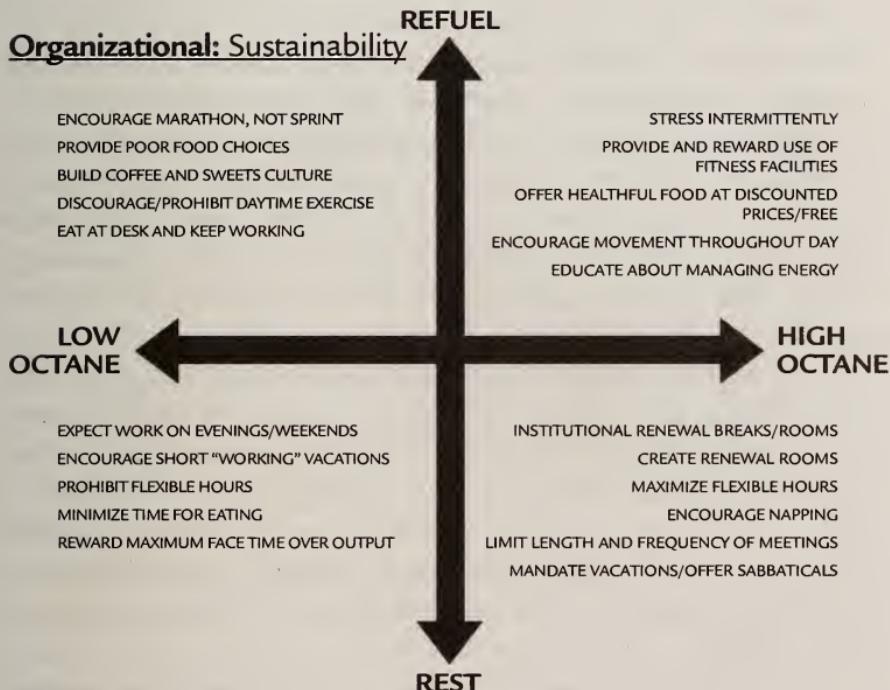


Creating a Culture That Pulses

THE RENEWAL QUADRANTS



We were thrilled, five years ago, when we convinced executives at Wa-chovia bank to build a renewal room on a busy floor populated mostly by senior executives. The small, windowless office they chose wasn't ideal, but it was a start—and a statement. The furnishings included a comfortable couch and a couple of reclining chairs. All things consid-

ered, it was a pleasant enough place to hang out. The problem was that no one would go near it. It was as if the room had been designated a toxic waste site. Spending time in the renewal room was the equivalent of walking around the office with a sandwich board that read “Look at me, I’m not working.”

The creation of a space in which people might go to relax for a few minutes didn’t fool anyone into believing the company culture was changing. It didn’t go unnoticed that the president of the company wasn’t slipping in to catch a few winks. Despite our efforts, long hours tethered to a desk were still widely viewed as a key sign of commitment and a prerequisite to career advancement. The renewal room sat fallow for two or three months until someone decided to put an end to the pretense. The chairs and couch were replaced by a desk and chair, and a rising young executive moved in.

At most organizations, the unspoken expectations come through loud and clear: arrive early and work late; hunker down in front of your computer; take as few breaks as possible; eat lunch at your desk; refuel your energy between meals with caffeine and sugary snacks from the vending machines; and take your work home in the evenings and on the weekend. If you feel you must take a vacation, please keep it short, and be sure to check your BlackBerry or iPhone wherever you are at least several times a day.

We’ve talked in previous chapters about how to take on these challenges individually. If you are a leader or a manager, creating a new way of working begins with recognizing that renewal serves performance. At a personal level, you must be willing not just to support but also to model new behaviors and to help those you manage to build their own energy management rituals. Finally, your organization must create policies, practices, and services that will support a new way of working.

The first key shift is to stop evaluating performance by the number of hours you employees put in and instead measure it by the value they produce. That means not just permitting intermittent renewal but actively encouraging it as a key to sustainable high performance. It also means treating employees like adults by giving them freedom to decide how best to get their work done and holding them accountable for their results, not the hours they work.

The second shift in leader mind-set is from a singular focus on the

competency of employees—the skills they need to get their jobs done—to an equal emphasis on capacity—the quantity and quality of fuel in their tanks. Capacity is something we've all taken for granted, because for so long we were accustomed to having more of it than we needed. As the demands in our lives have increased, our energy reserves have inexorably run down. Much as the pressure on the planet's finite natural resources is compelling us, for the first time, to develop renewable resources, so organizations must help employees find new ways to renew their own resources. Systematically investing in people's capacity, beginning at the physical level, is the key to fueling *sustainable* high performance.

An increasing number of organizations focus some attention on how employees take care of themselves physically, but typically as part of an effort to control health care costs or provide a perk, rather than as a way to drive higher performance. Most organizational initiatives are housed in wellness programs that rarely command the attention of senior leaders. Most leaders still don't actively take into account that the way employees manage their physical energy is critical to both their productivity and their satisfaction.

Periodization refers to the way athletes train in cycles—alternating intense work with periods of recovery daily, weekly, yearly—in an effort to marshal the highest energy for key competitive events. We believe leaders and their companies need to think in similar terms. Several researchers have studied the way work is typically done in organizations. The chart on the next page reflects the patterns of energy that the vast majority of us typically experience over the course of a week.

On Monday, just back from the weekend, it takes most of us time to warm up mentally, much the way athletes do by stretching and jogging before competing. McGill University researcher Debbie Moskowitz has found that Monday is the best day for low-demand administrative tasks, including setting goals, organizing, and planning. By Tuesday, most of us are fully ramped up. Over the next two days, our capacity for focus and engagement is at a peak. It makes sense, both individually and organizationally, to tackle the most challenging work on those days. That means addressing the most difficult problems, taking on writing assignments, working through strategy, and doing creative brainstorming.

The Weekly Pulse



By Thursday afternoon, Moskowitz has found, our energy often begins to ebb. This can be a good day for meetings in which reaching consensus is important. By Friday, we're usually at the lowest level of energy for the week, especially in the afternoon. This can be a good day for more open-ended work, such as brainstorming, long-range planning, and relationship building. Designing the work flow for yourself and your team with these rhythms in mind means you're taking advantage of the natural flow of your energy and theirs.

SETTING A NEW RHYTHM

Among all of the companies with whom we've worked, none has taken the importance of working rhythmically more to heart than Sony Europe. "When I began to see the world in terms of energy, I realized that it waves up and down," says Roy White, the vice president of human resources for the division. An athlete himself, White recognized the potential power of periodization at the organizational level, especially in dealing with periods of highest demand.

The busiest season for Sony is the fall, heading into Christmas. This intense push is followed almost immediately by meetings that

Sony UK has with its key dealers each January. A nearly monthlong event, it's held in a relatively remote setting to ensure that Sony has the full attention of its customers. Historically, the month is built around long hours sharing marketing plans, negotiating contracts, and socializing with dealer partners, often into the wee hours of the morning. The pattern repeats itself day after day for several weeks. When we began working with Sony, many of the salespeople told us they'd come to dread the toll these meetings took on them and their families, both because they were away for so long and because it took so much time to recover when they returned home.

To help them better manage their energy, we created a Survival Guide, grounded in the core principle that the greater the demand, the greater the need for regular renewal. With that in mind, we encouraged the managers to focus on reducing their alcohol intake during their evening meetings, ritualize morning exercise, eat more often and more lightly, and go to sleep at a designated and reasonable hour. "The results were incredible," Andy Benson, Sony UK's commercial director, told us. "Not only did people come through in better shape, our dealer partners also noticed a sharper and more focused Sony."

Sony UK's team also changed the way they managed their days at the office. The annual budget and planning meetings had long been another dreaded event. They typically lasted all day and went on well into the night. Attention wandered, tempers flared, and frustration grew as people became more and more exhausted. As the Sony leaders began to embrace the concept of intermittent recovery, they decided to divide the meetings into ninety-minute sessions, with breaks in between each one. Today, among the 2,000 employees who have been through our work at Sony Electronics, 90 percent report that taking regular breaks away from their desks has significantly increased their energy and performance levels. Eighty percent say their work/life balance has improved.

FROM THE TOP DOWN

Fujio Nishida, the president of Sony Europe, models the importance of renewal. Nishida was won over to its importance during the work we did with him and his senior team beginning in 2006. "That was

when I made the link between eating, sleep, rest, exercise, and business performance,” he told us. “One of the things it led to was my giving up smoking, which I realized I had been using as a form of recovery, stepping outside for a smoke when I was feeling a lot of stress. Who would have believed it, but I replaced it with a ritual around breathing. It worked just as well, and I haven’t smoked since.

“I had never seen recovery as a means to improving my performance, but it has. At the same time, the story about my giving up smoking spread all around the organization. I think it gave people a kind of permission around recovery they hadn’t felt before. I started seeing more people in the gym. Instead of feeling guilty, as they would have before, they now could say, ‘This is great, I’m doing something for me that also benefits the organization.’”

Simon Ashby, who is responsible for operations, information systems, and logistics at Sony, had long struggled with the fact that his best project managers were always in the highest demand and therefore the most vulnerable to burning out. “Before, they would be fried in the bang, bang, bang of delivery and given no recovery at all,” Ashby explains. “Now we build downtime into their schedules so they’re recovering regularly. Even in a terrible economy and under incredible pressure, we’re sticking by our commitment to recovery. We view it as a means of getting the highest performance, and it’s working.”

Andreas Ditter, former vice president of Sony Audio in Europe and now managing director for Sony Home Pictures Entertainment in Germany, took every member of his team through our curriculum. “One of my takeaways was that the key to performance isn’t how long people work,” he told us. “I made it clear to my team that the key to getting better numbers wasn’t more hours but more vitality, focus, passion, and positive emotion. I wanted people to believe that taking care of themselves wasn’t a luxury but a necessity. This was not the Sony way of working, and I think it caused deep culture shock at first.”

Like Nishida, Ditter made it a personal mission to model the new behaviors he expected from others. He began taking regular renewal breaks, whether it was breathing quietly for a few minutes, taking walks outside, or working out in the gym at midday. Despite an intense schedule, he made a commitment to himself to leave work at least several days a week at 5:30 P.M. “It was a leap of faith,” he says,

"and I think my senior team struggled at first to make the connection between their energy and their productivity. But we've been rewarded with tremendous results and a whole new sense of possibility." In Sony Europe's most recent employee satisfaction survey, Ditter's team had the greatest improvement in scores among all Sony Europe business units on measures of satisfaction, motivation, and loyalty.

The changes at Sony Europe have reached down to the factory floor. Steve Dalton is the managing director in charge of the Sony factory in south Wales, which manufactures cutting-edge camera systems and houses Sony UK's main customer market service operations. Like Nishida and Ditter, Dalton went through the program first as an individual. He made several changes in his life, beginning at the physical level, and they had a big impact on his energy levels. An erratic sleeper, he began ritualizing the time he went to bed each night to ensure he got eight hours of sleep. He put gym equipment in a room in his house and began exercising immediately after waking up. During the day, he made it a practice to eat something healthy at least every two to three hours.

Energized by his own experience, Dalton decided to take all 270 employees at his factory through the program. There was already a gym on-site, but it sat empty most of the time. With Dalton's support, the gym is now widely used, especially at the beginning and end of the day. As part of their bonus for hitting specific business targets, factory workers were also given a card that allowed them free access to local leisure and fitness facilities. Words such as "recovery" and "managing energy" became a part of the language on the factory floor.

There was also measurable impact on the factory's bottom line. Overtime hours have dropped in half since workers went through the program. "Previously, in order to achieve our targets, it was a given that people would stay late in the evenings and come in on Saturdays," Dalton told us. "That's not the norm anymore, because people are more productive when they are here and because they see the value of taking their recovery time." Days lost to sickness have dropped by 40 percent, and turnover among staff is down from 8.2 to 3.2 percent. At 91 percent, overall employee satisfaction is among the highest of any division at Sony Electronics, factory or nonfactory.

Sony Europe also made a significant investment in building "chill-out rooms" across the company, including massage chairs, comfort-

able sofas, low natural lights, and a rule prohibiting the use of cell phones and PDAs. In contrast to our experience at Wachovia, the rooms at Sony are widely used. Sony's leadership has also created more shared spaces in which people can meet and hang out, including a playroom at the central office in Basingstoke, with table and computer games. "These facilities," explains Trevor Johnson, the corporate services manager responsible for building them, "are a recognition that while our business is about machines, it depends on people. We work in a fast-moving competitive sector, and occasionally you just need to take a break to clear your mind."

Leaders at Britain's National Policing Improvement Agency, charged with leading change across U.K. police forces, had a similar epiphany about the power of renewal after we took them through our curriculum. "By reframing our work as a series of sprints, we've turned the team around," explains Derek Mann, head of workforce modernization at the agency. "We were on the brink of burnout. Now we have a common language around recovery and the means to sustain our energy in the face of huge challenges."

THE NAP GAP

Only an estimated 1 percent of companies permit employees to nap at work. A handful of forward-thinking organizations, such as Google, Cisco, and Pixar, do officially sanction naps. "You get tunnel vision when you're hammering away at a problem," Mark Holmes, an art director at Pixar, told a reporter. "You keep going down this same path, again and again, just tweaking, making incremental changes at best. Sleep erases that. It resets you. You wake up and realize—wait a minute!—there is another way to do this."

Google offers napping pods in a range of public spaces at its Mountain View headquarters. The pods are leather recliners with egg-shaped hoods that can be closed, making it possible to shut out light and noise. Nonetheless, our experience in working at Google is that the pods don't get much use during the regular workday, suggesting how much of a leap it is to publicly acknowledge that you're going to take a nap in the workplace.

To drive home the power of naps, we've introduced into some of

our own workshops a point during the midafternoon when we ask all participants to take a nap. We literally re-create nursery school, putting mats down on the floor and turning off the lights for twenty to thirty minutes. Some people fall asleep and others don't, but nearly everyone gets a significant dose of midday rest. The payback in productivity is often immediately clear to the nappers. Whereas their attention may have begun to flag, they find themselves reenergized for the rest of the afternoon.

Napping will take hold in organizations, we believe, only when it is viewed as part of a broader and more systematic effort to build cultures that recognize renewal as a crucial component of performance. In the meantime, providing employees more flexibility in their work schedules effectively gives them the freedom to take charge of managing their own energy throughout the day.

Take, for example, the cost of commuting to employers and employees alike. More than 11 million Americans now spend more than two hours a day traveling to and from work, many using energy to no productive purpose during that time. Much of this travel occurs in the morning, when people are typically most energized and alert. In many cases, they arrive at work feeling frustrated and worn out by their commute. If it's not absolutely necessary for the job, how does it make sense to require employees to invest precious energy just getting to work at a specific time? Why not allow them to travel outside rush hour or to work from home at least some of the time? In addition to reducing unproductive time, this sort of flexibility also has the potential to give people more opportunity to get sufficient sleep.

THE TIME TRAP

Exercise is one of the first sacrifices most of us make in the face of long rush hour commutes and long hours at work. If we're leaving home at dawn and returning after dark, who has the time or the energy to work out? The irony, of course, is that fitness improves the health of a company's employees and has been consistently shown to decrease overall health care costs. It's also a very reliable form of renewal during the workday. A significant and increasing percentage of large organizations now have fitness facilities on-site. Far fewer com-

panies have cultures in which employees feel comfortable working out during the day, much less encouraged to do so.

We made midday exercise a focus of the work we did with a group of accountants at Ernst & Young just in advance of busy season. It's standard for accountants at these firms to put in twelve- to fourteen-hour days throughout the tax season, and they're measured in significant part by the total number of hours they bill every week. The irony is that many of them are working on jobs that are billed to the client for an overall fee, not at an hourly rate. If the job can be completed in fewer hours, it actually generates more profit for the firm. Why, then, would a company measure its employees by their hours? The answer, we've been told over and over, is that it's always been done that way and no one has yet found a better way to measure individual productivity.

The system serves no one well, not at accounting firms, law firms, advertising firms, or any other personal service organizations that charge clients by the hour. Employees, knowing they're rewarded for putting in the maximum number of hours, have no incentive to work more efficiently. If they do get their assigned work done, they're typically given more work to do. Those working the greatest number of hours consistently tell us they get less and less productive the more hours they work. In addition, the greater the number of hours they bill on a given day, the more likely the quality of their work suffers. Firms that bill by the hour operate in a system that ensures that neither they nor their employees are rewarded for working more efficiently. Clients, in turn, may not get the best quality of work.

SPRINT AND RECOVER

The key to the success of any of our interventions is the degree to which senior leaders, led by the CEO, actively endorse it. In the case of Ernst & Young, Arthur Tulley, the managing partner responsible for the EY team that went through our program, was an enthusiastic and engaged supporter of the work. He attended all of the sessions himself and made it clear to employees that he wasn't concerned about the number of hours they worked each day. On the contrary, he urged

them to get their work done as efficiently as possible, without sacrificing quality, and then to go home. Tulley recognized that the earlier people left, the more time they'd have at home, the more sleep they'd be likely to get, and the better they'd feel both the next day and over the long haul.

With that in mind, we taught Tulley's team members to work in ninety-minute sprints, focusing without distraction, followed by true renewal breaks so that they could truly refuel themselves. Most important, we encouraged them to take one longer break in the afternoon at 3 or 4 P.M., when their energy was flagging anyway. A nap would have been ideal, but that was still a bit much for the traditional culture of an accounting firm. Many participants elected to go to a nearby gym and work out for an hour. Feeling refreshed and more alert afterward, they found they were able to focus much more efficiently when they returned to the office. The result was that they got more work done in the later part of the day and were often able to leave earlier than they had in the past.

Many participants reported that the busy season that followed our work with them was the least stressful they'd ever experienced. By the end of it, the team as a whole had managed to get more overall work accomplished in fewer hours—a good outcome both for EY and its employees. We're convinced that the first large accounting firm that moves to billing all its clients by the job rather than by the hour will gain a significant competitive advantage. The outcome, we believe, will not only be higher productivity but also a huge advantage in attracting and retaining the best performers.

WE ARE WHAT WE EAT

The final potential source of increased physical energy in the workplace is the food we eat. The key issue for large organizations is the kind of food they offer in vending machines, cafeterias, dining rooms, and at meetings. The staple foods in most vending machines and at most offsites are candy, cookies, and chips, filled with sugar, salt, and fat. These foods provide a quick and short-lived buzz when people's energy is flagging, but they take a toll on their health and productivity over time. At Google, there is just a single vending machine on its

main campus, and it's there to make a point. The machine is filled with candy and other junk food, but items are priced in inverse proportion to their nutritional value. The worst foods cost the most. You can buy a bag of Famous Amos cookies for \$4.55 or shortbread cookies for \$3.40 if that's your thing, but they're going to cost you an arm and a leg.

Most cafeterias and dining rooms we've visited at large companies offer a range of food choices, including healthy ones. It's relatively rare, however, to find companies that explicitly emphasize and promote healthier, energy-rich foods. One of the simplest ways to do so is to offer such choices at subsidized lower prices. The main dining room at Sony Pictures in Los Angeles, where all employees have participated in our work, now offers a healthy meal and a salad bar each day at a reduced rate.

No company we've encountered comes close to the kind of investment that Google makes in feeding its employees, or treats food as a more integral part of its overall culture. In their initial public offering, co-CEOs Sergey Brin and Larry Page were explicit about their intentions. "We provide many unusual benefits for our employees, including meals free of charge," they wrote. "We are careful to consider the long-term advantages to the company of these benefits."

At its Mountain View headquarters, Google has eleven different restaurants that offer breakfast, lunch, and dinner to employees at no cost. Many of the chefs have been recruited from high-end Bay Area restaurants, and we can vouchsafe from our own experience that the food is extraordinary: fresh, varied, healthy, and bountiful. The cafés are packed at mealtimes, and employees are encouraged to intermingle. There are also "microkitchens" throughout the campus, which offer healthy snacks all day long.

From our perspective, Google's policy creates a more rhythmic and productive way of working on several levels. It encourages people to leave their desks intermittently, especially at lunch. It gets them to move physically, especially in Mountain View, where the cafés are spread all over the campus. The dining rooms themselves, furnished with long tables, prompt employees to sit together. As long as you don't overeat, a meal at Google leaves you feeling better.

Over time, nearly all of us grow accustomed to even the greatest luxuries. Even so, our strong sense from nearly all the employees we've

worked with at Google is that free meals and unlimited snacks are a perk they value and appreciate every day. Whatever else it does, offering three high-quality meals a day almost certainly serves an aim any company ought to share: to energize its employees every day with high-octane fuel.

CHAPTER NINE ACTION STEPS

- As a leader, your first responsibility when it comes to renewal is to practice it yourself. Next, speak to the people who work for you about how effectively they're renewing their energy physically. Emphasize the relationship between great performance and regular renewal. Encourage them to work out at midday as a way to increase their energy and focus better in the afternoons. Permit them to take short naps and periodic breaks. Never hold a meeting for more than ninety minutes at a time.
- Do you measure people's performance at least in part by their willingness to put in long hours? It isn't the number of hours they work that matters most but the value they produce. Can you make that paradigm shift in your mind and then in your behavior? Are you prepared to have a conversation with every person who works for you about what schedule would allow each of them to work most effectively—and then do your best to make that possible? If not, what's standing in the way?
- Review the Weekly Pulse chart on page 110 and share it with your team. Lead a discussion with them about the optimal days to take on different tasks. What changes should you make, individually and collectively, to be more productive?