

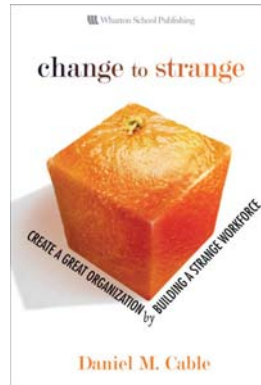
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Change to Strange

Create a Great Organization by Building a Strange Workforce



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■ The Big Idea

In today's tough times, and in the face of ever fiercer competition from all sides, you need to create a competitive advantage and sustain it. To do so, you must create and deliver something that's valuable, rare and hard to imitate – and a run-of-the-mill workforce can't do that for you.

When it comes to winning customers and beating down competitors, the last thing you want to do is fit in. Your workforce needs to be strikingly different and obsessively focused on delivering your unique value proposition. Success will not come from being like your competition.

Ergo, you, your people and your organization need to be downright *strange*!

Why You Need this Book

Change to Strange instructs readers everything they need to know to build a workforce both strange and extraordinary enough to execute the most powerful strategies. It teaches exactly how the workforce needs to be different to succeed.

The book tells readers how to create a Strange Workforce Value Chain; how to implement workforce systems that support unique goals; how to establish detailed metrics based on what makes you unique; and how to use those metrics to drive organizations to success.

Being Strange

Welcome to the concept of the *strange workforce*. A strange workforce is what makes customers notice your organization and want to go with you instead of with a competitor. The important thing is to build the workforce that creates something customers notice and makes them say, "I want that."

People as competitive advantage

It's easy for a workforce to give an organization a competitive advantage:

1. The workforce must obviously create something valuable to the marketplace – there must be customers who need what your workforce does or creates. However, using a workforce to create something valuable simply represents the basic stakes of being in business.
2. The workforce must create something rare and unique that sets your organization apart. Some special product that gets customers coming back for more even though there might be so many competitors out there. Something that differentiates the organization and adds special value in the minds of consumers.
3. The unique valuable thing that is offered shouldn't be easy for competitors to copy. Otherwise, the business won't have a sustained competitive advantage at all. Something valuable, rare and hard to imitate must be offered – something that competitors can't see or even understand.

In order to achieve your goals and be successful, there's one more element: the workforce has to be obsessively preoccupied with success. Furthermore, what is obsessed on should be something other workforces do not obsess.

It's important to realize that you have to go above and beyond to create a strange workforce. It's delusional to expect your employees to be extraordinary and differentiate your organization if your employee systems are basically the same

as those in other organizations. Your workforce systems have to get employees to obsess on the things that you want your company to be known for.

The Strange Workforce Value Chain Model

Here is the overall model you can use to link up with your organization's strategy with your people and your people systems. It's known as the Strange Workforce Value Chain.

The Chain aims to give you a simple framework to:

- Articulate your strategy in terms of your workforce, be very clear about how you expect to beat the competition and what you need from your people
- Measure your competitiveness concepts by strapping numbers onto your concepts of winning
- Test your theory about what best helps your workforce to win. Run statistics to examine the theory and see if it really works out in practice, and how well if so

The Model Proper

The Strange Workforce Value Chain model is composed of four distinct steps, as follows:

1. **Organizational Outcomes** – Begin with the end in mind because everything you do must be a means to that end. These outcomes would be the results of your strategy; they are the *ends* of your organizational processes.

Go out three years from now and imagine a perfect, ideal world where your workforce is strange and where you're beating your competition into the ground. What would be the ultimate results if this paid off big? What would be the fruits of your labor over the last three years?

These are what you measure to know whether you are winning in the way you want to win.

To start developing these outcomes, *preside over a day-long meeting with you top leaders*. You're going to convert your strategy into a series of three to four measures to demonstrate that your way of winning is paying

off. You only want three or four so that you'll be able to focus on a few things and do them right instead of going all over the place.

Come up with answers to the following question sets:

Question Set 1: The Customer and the Marketplace

- a. Who do we serve?
- b. Who is our target customer?
- c. In what arena will we be most active?

The goal of these questions is to stimulate an objective, forthright discussion about who your organization exists to serve. The more specific you can be about the groups you want to serve, the better.

Make sure you know which niche you are most interested in staking out for your own and making a mark, because you can't know if you are winning if you don't know who you are serving.

Question Set 2: Competitor Awareness

- a. Who else is trying to serve our target customer?
- b. Who or what is threatening our existence as an institution?
- c. Who or what is our competition, and what do we take from them when we beat them into the ground?

Figure out who or what could serve your intended customers better than you could and who might be able to take them from you. Get mad and take it personally.

If you want to win, it helps to get yourself and your organization obsessed, paranoid and worried about the competition that could make you lose out.

If you're having trouble with competition, it could help to think about your organization's past performances and results as its competition, or changes in society or anything of the sort that could render your business irrelevant as a result.

Question Set 3: The Change to Strange

- a. What do we do that is strange?
- b. What outcomes are we willing to pursue that our competitors would classify as dumb?
- c. What risks are we willing to take that other businesses think are not worth taking?

You need to talk and maybe even fight over how your organization needs to differentiate itself. Deal directly with the way your organization will “cut through the clutter” of the competition and make a beeline for you.

Make sure all your leadership team members understand that your strategy is risky. If there aren't any risks to it, then maybe it's not worth working for as you probably won't be able to push yourselves far enough.

Question Set 4: Winning Your Way

What pieces of evidence or trends would allow us to claim that we're winning things our way in three to five years?

This final question is the culmination of the entire meeting.

2. **Performance Drivers** – These are the concepts that comprise your strategy. These are the answers to the question, “What do we create or provide that is valuable, rare and hard to imitate?”

You should literally build your organization around measuring and gauging your performance drivers. Doing so will give you incredible insight into what your organization is doing or not doing in order to differentiate your company, attract customers and win.

To figure out your own organization's Performance Drivers, hold another meeting with the same group that you held your Organizational Outcomes meeting with. Build consensus about these three sets of questions:

- a. Question Set 1: Producing the Result
 - a. What produces this Organizational Outcome number?
 - b. What makes it go up or down?

Let go of what you currently focus on and measure every day in order to theorize about the things that literally move your Organizational Outcome metrics. Think in far-reaching ways about what could move each metric casually, mechanically and objectively.

b. Question Set 2: Customer Beliefs

- a. What are the one or two most important things our customers have to believe about us relative to our competition in order to affect this Organizational Outcome?
- b. How do we measure our progress toward creating these beliefs in our customers' heads?

You need to get a handle on what would make your customers notice you, say nice things about you to their friends, and give you their business. Then you need to build an organization around managing and working with those customer perceptions.

c. Question Set 3: Deciding Which Game to Play

- a. How can we influence this Organizational Outcome in a way that is valuable, rare and hard to imitate?
- b. What are we willing and able to do that the competition is not in order to drive this Organizational Outcome?

You'll next need to come up with a 'screen' to sift the ideas through in order to determine which are worth pursuing and which need to be culled out. Decide based on the options' value-creating capacity, rarity and difficulty to imitate.

3. **Strange Workforce Deliverables** – How must people be strange in order to make your performance drivers happen, and to make a positive, unique impression on your customers? These can be thought of as road sign indicators to warn you what is coming up unless you change your course.

What we have done so far is figure out what type of symphony is compelling to your target audience. Now it's important to focus on *workforce capabilities*. That term might sound like a mouthful, but it really is all about what your people are good at doing.

Leaders' jobs are really all about what strange obsession your workforce should have in order to maximize wins, and then to find a valid way to measure it and make it happen.

It's important, though, to realize that once you establish these new metrics, some good people will quit – not everyone will be willing to jump on board with you. Others may be interested but will simply not be able to do so.

To determine Strange Workforce deliverables it's necessary to distinguish between workforce-wide and job-specific ones, as the former are involved with the workforce as a whole and the latter with specific people.

Workforce-wide Strange Deliverables

Question Set 1: Distinctiveness

- a. To make our Performance Drivers move, how must our workforce be distinctive from that of our competitors?
- b. What characteristics describe our ideal workforce that our competitors would not or could not use to describe their workforces?

Get away from talking about nice, pleasant, plain-vanilla workforce characteristics and start focusing on any strange, differentiating characteristics that can actually move the Performance Drivers forward.

Question Set 2: Strange Changes

- a. Where are the gears currently slipping?
- b. What characteristics of our existing workforce must change in order for us to execute our strategy?

Many organizations are trying to execute a strategy with a workforce that was created to solve past problems. Does the workforce have the necessary behaviors and characteristics that it needs to be able to work on your current strategy?

Question Set 3: Measurement and Metrics

- a. How can we measure our Strange Workforce Deliverables rather than just talking about them?
- b. How do we go from strange workforce concepts to strange workforce metrics?

Would you rather just talk about strange workforce concepts or actually make something noticeable happen? What is so important about your workforce that is worth a lot of pain to get activated?

Job-specific Strange Deliverables

For each job in the organization you lead, here are questions you need to be able to answer:

- How much strategic leverage does this job have? Is this job an executor, an operator or an outsourcer? How much does good or bad performance on this job affect whether we differentiate our organization and execute our strategy?
 - Why can't we just outsource this job? What Performance Driver does this job affect?
 - What does strange look like for this job based on our strategy? What are the characteristics of people in this job that differentiate our organization from a customer perspective?
 - How do I measure the Workforce Deliverables for this job? How would I distinguish the best employee I have from the worst in terms of what they accomplish, how they act, and what they know?
4. **Strange Workforce Architecture** – designing and constructing certain people management systems will make it more likely that the workforce will be strange and make customers notice good things about you.

The most basic processes to construct workplace architecture are as follows:

- Get the right people to join the organization.
- Get people to know what is expected from them.
- Get people willing to work toward what is expected from them.
- Get people able to produce what is expected from them.
- Get the right people to stay and the wrong people to leave.

Some more questions you need to answer:

- What do we currently do with this element to make employees say, "Wow"? What are we doing to differentiate ourselves from other employees with this element?
- If nothing's being done about this element, how can we push it "over the top" to show the workforce that we care very deeply about the deliverables in this job? What are the strengths of our existing Workforce Architecture that we can really build on to get attention?
- How can we prove that our system is strange enough to make people notice it? What evidence do we have that our system is sending the signals that we intend to the targeted people?

And, lastly, a four-step plan to help you keep perspective as you move forward:

1. **Imagine.** Envision a distinctive people system that can get you to greatness by forming a strange, dedicated tribe that customers notice.
2. **Pinpoint gaps.** Highlight mismatches between where your Workforce Architecture is now and where it needs to be in order to build a great organization to break the problem into bite-size pieces.
3. **Prioritize.** Determine what strange design elements would have the greatest leverage for getting you to greatness and that are most under your direct control.
4. **Act.** Act as though your business depends on getting the architectural elements in place. Become more of a workplace champion than an individual contributor.

The Magic of Metrics: Creating and Implementing Measurement Systems

Collecting valid data on the right concepts is what makes a lot of the ideas in this book as valuable as they are. To create and implement these systems:

1. Make sure you can articulate your theory of how you will differentiate yourself from and beat your competition. This is the center of everything you measure.
2. Formalize your competitiveness concepts and map out how they affect each other.
3. Figure out which concepts are most critical. Don't measure everything – just those few competitive concepts that are most important to differentiating and are reflective of winning.
4. Make sure that the competitive concepts antagonize each other so that as a system they prove that you are winning and not just temporarily gaining a metric.
5. Develop approaches to collecting data that actually represent your concepts so that the data are meaningful and useful and not just measurement error. It may be useful to develop multiple measures of key concepts so that you can triangulate your data.
6. Put the data into a spreadsheet on an ongoing basis so that you can bring discipline to your concepts, know if you are managing successfully, and perhaps even test the links between the concepts.