

# Why Treating Humans Like Humans Should Be Your Company's Number One Priority

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## Introduction

After decades of putting (short-term) revenue and profit as top priorities when guiding both day-to-day and strategic decision-making, an increasing number of CEOs realize that such a focus may no longer be enough to ensure sustainable success for all participating stakeholders – shareholders, employees and partners.

More specifically, in a complex, globally interconnected world where technological advances facilitate increasingly faster (and often disruptive) change, commonly held best practices and playbooks on leadership may no longer yield the desired results.

We argue that, rather than incrementally adjust existing operating models, leaders will need to fundamentally rethink their “modus operandi”.

The need for change is accelerated by the fact that this constant change has already and will continue to result in an unprecedented shortage of talent; in addition, younger employees (“millennials”) are entering the work force with fundamentally different value systems.

Having been actively involved in a number of such journeys and based on numerous feedback we have received, we believe that, for organisations to continue to thrive in the future, a customer-centric or product-centric view will no longer be sufficient. Instead, we argue that the best way to ensure

continuous success is to put people at the core of everything we do in an organisation – using measures of success that are vastly different from today's most commonly used KPIs.

We are aware that our suggestion is bold and not (yet) common – let us explain a bit more about why we think that way and, more importantly, what we believe as critical steps for you as organisation.

## 1. Vision & Goals

Assuming that your organisation does have a long-term (i.e. at least five to seven years out) vision – what does it look like and what are the major goals?

Based on our research, most company vision statements are likely to focus on one of the following angles:

- Customer-facing (“create a better everyday life for the many people” (Ikea)).
- Market position (“we aim to be the largest brand by...”).
- Product-driven (“we believe that we are on the face of the earth to make great products” (Apple)).

Over the last few years, an increasing number of companies have begun to add new angles, notably in the area of sustainability (“100% sustainable materials in bricks and packaging by 2030” (Lego); “100% recycled polyester in all shoes by 2024” (adidas)).

While we applaud those changes, we believe that they are not going far enough and are still part of the existing mental models around customers or products. In our view, future corporate visions and goals should center much more around each individual as human being.

Here are a number of questions such a vision may address:

- What is the view the company has around the development of new skill sets, around training – especially given the advances of AI/automation?
- What is the view the company has around the “mode” of work (remote work, flexible working hours and employment models; individual well-being)?
- What is the value the organisation attaches to talent – and how will it follow up (i.e. is it really seen as asset and not a cost)?

In other words, what is the vision the company/the CEO has for me as employee?

In addition, we do suggest that CEOs/company leaders also work on helping employees understand the existing visions/strategies better – namely, by answering the question: “how does the company vision link to what am doing/contributing every day?”

## 2. Leadership

When speaking to senior executives, one of the most common feedback we receive is “there are so many things I should be doing as leader... I get new advice on what to pay attention to... I am overwhelmed”.

We could not agree more – what we are seeing is an ever-growing number of traits/behaviours/methods senior leaders should display:

- a) Companies having detailed leadership principles (e.g. Amazon’s 14 leadership principles).
- b) Seminars/handbooks on new techniques (mindfulness, selflessness, compassion).
- c) Tool kits on what makes a successful leader.

Yet, at times of unprecedented technological advances and speed of innovation, we strongly believe that senior leaders – the CEO and the top 1-2 most senior levels of the organisation – are more than ever before THE key for success – they do set the tone for the company culture. And what matters is not just the “what” (how is performance measured and value; what are key metrics) but, more importantly, the “how”.

Rather than bringing all the existing concepts together, we suggest that leaders focus on a few key areas to ensure continuous success:

1. Proactively create, develop and execute a vision that puts humans at the center of everything you do.
2. Find ways to communicate your vision and the goals in ways that every employee understands them and can relate to them.
3. Last, and certainly not least, act according to those principles – this will help you achieve this crucial element of trust and credibility.

### **What could such a journey look like?**

While each organisation should develop its own unique approach tailored to its needs, we believe that there are number of dimensions and areas that are common. To help you better understand, the following list compares views that are today commonly held vs. the potential approach for a human-centered organisation across a number of dimensions (from rather incremental to truly disruptive elements):

Current approach	Employee-centric approach
<b>Biggest focus</b>	
Revenue, profit.	All people, no matter whether customer, employee, partner or stakeholder. The employee has the number one priority.
<b>Expected leadership</b>	
Deliver results no matter what. Business success is much more important than employee's wellbeing.	Leaders create an environment where people and the organization as a whole can thrive. The wellbeing of employees is as important as the business success.
<b>Leadership mindset about employees</b>	
High-performers deliver results based on agreed business goals. We treat people based on performance.	Companies move from a performance oriented culture to a culture of growth mindset. Every employee matters. We treat people as humans. We see their uniqueness and encourage them to embody their talents and values.
<b>Leadership mindset about business</b>	
Cost efficient, metrics driven, planning, strict disciplines about target achievement, performance management. Analytical mindset. Limited resources. Hierarchical.	<u>Mindset of abundance and creativity:</u> <ul style="list-style-type: none"> <li>• Create a team full of joy, energy, success, growth. Small, diverse and empowered teams.</li> <li>• Trust the unknown, as planning has become a highly unproductive and time-wasting task. Develop individuals based on their talents and mindset.</li> <li>• Embrace risk, show trust and accountability.</li> <li>• See business opportunities with a creative mindset of abundance, unlimited resources and potential. Value things that drive business success and improve the quality of life for employees.</li> </ul>
<b>Status symbols</b>	
Important to demonstrate success (job titles, company cars, bonus systems). Huge need to receive external recognition as that is the only chance to get the feeling somebody cares.	No need to work with status symbols. Employees know that their leader and co-workers really care as it is visible in their authentic daily behavior.
<b>How do we care about people's live</b>	
We expect full engagement during working hours and don't care about people's life outside of work. We expect that the energy of employees mostly flow into work. The company "accepts" the fact that employees arrive at and leave work with little energy left (often leading to an unhealthy lifestyle)	We care about employees' energy level and value the quality time they spend outside work (with family, friends, hobbies). It is important that our employees lead a healthy lifestyle and can recharge their batteries.

**One more point here:** We are well aware that embarking on such a journey requires strong commitment from the very top. We also think that, prior to going into the above steps, it is critical to understand and describe the view of the group – and everyone involved – has on this topic. What is the idea of humanity (“Menschenbild”) we have in mind or want to create?

### 3. Why this is a “must do” vs. “can do” decision – the war for human resources

When discussing our views with senior executives, one of the most common questions we received has been “why should I focus on this now – can this not wait?”

We believe that a number of trends in the next 5-10 years will make such a people-centred approach more critical than ever:

- a) Shortage of talent: we are not just talking about talent in the technical fields (programming, UX design) but also about increasing shortage in jobs requiring artisan skills (Handwerk). Companies wanting to attract scarce talent will need to provide an environment that goes far beyond offering free lunch. Do you really care about people and do you know how to unlock human potential?
- b) The “millennial mindset”: while we do not want to fall into a trap of generalising behaviour of an entire generation, we do agree with the view that many of the millennials have a different value system, prioritising elements such as “meaningful work”, “focus on sustainability” and “well-being” over career progression and salary optimisation.
- c) “Driving the trend” as company USP: as we have seen with companies actively promoting sustainability (e.g. Vaude), we think that companies which act as pioneers may be able to drive significant positive brand value (by themselves and through employees).

To sum up, we are strongly convinced that companies and leaders that are proactively taking steps towards a human-centric view of the organisation will, over the medium- and long-term, prevail.

## Did we stir your interest? Are you eager to learn more?

### Get in touch

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### About the authors

Tahir and Heidi have been working together on leadership topics for more than ten years. They share similar holistic views about the future state of an organisation uninhibited by what are often perceived as boundaries between the “business” and “People”.



#### Tahir Hussain

Tahir Hussain is an independent consultant and founder of the non-profit education startup 21future. He has 20+ years of global, high-tech leadership experience working at large corporates (Amazon, Bertelsmann), startups (Kiveda) and consultancies (BCG and McKinsey). Tahir is passionate about helping organisations develop and execute successful leadership philosophies combining scalable innovation, sustainability and – most importantly – the employee as central asset.



#### Heidi Hofer

Heidi Hofer is a consultant for executives from leading technology companies. Her references include companies such as Apple, Amazon, Zalando, Douglas, Infineon, Burda Digital. She is an expert in developing strategies to transform leadership, people & organizations. By designing a modern and employee-centric leadership culture she is tapping into the company’s potential and makes leaders and the organization fit for the future. Heidi’s work is influenced by latest research in neuroscience, which is the biggest game changer to unlock human potential.