

CEO TRANSFORMATION FOR SUCCESS IN THE NEW ERA

HUMANE
CAPITAL



Introduction

“You cannot manage other people unless you manage yourself first.”

~ Peter Drucker

Creating a **high-performing organisational culture** has been at the top of the agenda for leaders for many years.

However, research shows that **few leaders and few businesses** have a **clear and proven model** of leadership which improves engagement, removes barriers to innovation, and uncovers hidden strengths in vital people assets crucial for business success.



New leadership is needed to survive and thrive

The frogs in hot water

Organizations are being killed slowly by their own inertia. A new form of leadership can rescue them, writes **Professor Vlatka Hlupic**

Many organizations today are like frogs swimming in slowly heated water. Unaware of the forthcoming danger, they are complacent. They are unwilling to change, shift to a better place, and jump out of the increasingly dangerous hot water and move to safety.

They are surfing on the edge of chaos markets change faster and faster, unforeseen influences require quick adaptation, and changing demographics of the workforce demands different management practices. Many businesses are becoming global, helped by advances in connectivity and digitization. This internationalization causes competitor profiles to constantly shift. There is an increasing emphasis on innovation, cooperation and collaboration.

The management dogmas of the past fail to suit the new landscape. New thinking is required. Organizations

and societies are better able to adapt by taking a path based on values, integrity, purpose, compassion, continuous innovation and the commitment to make a positive difference and safeguard the future for young generations.

Passion and performance

Continuous learning and innovation are becoming progressively more important for sustainable performance. Engaged employees who feel passionate about their work create innovative cultures, but can be held back by outdated management practices. Managers need to create the conditions for unleashing the power of human passion, wisdom and ingenuity. Chief executives, management thinkers and practitioners have come to the view that we cannot use old solutions for new problems. We have never experienced

such a magnitude of changes before. There is a dramatic need for a shift to a new mindset and new management practices. I call it "The Management Shift". Many organizations, both in the public and private sectors, need to make profound systemic changes, not just to management practices, but to organizational cultures, business processes, regulatory frameworks, work arrangements and work ethics.

Traditionally managed organizations resemble supertankers that struggle to respond to sudden changes in their environment and fail to change course in time. Modern organizations should be managed and led like sailboats – a general direction is to be determined, but the journey towards the destination should be flexible, depending on the environmental conditions.

Management thinking has been

traditionally influenced by scientific discoveries. Conventional management approaches have been based on the Newtonian machine model that focuses on hierarchical linearity: a culture based on rules, command and control, and formal relationships.

It is no more than a metaphor. And while such an approach might have worked well in predictable and stable environments when the objective was efficiency in the production economy, there is ample research evidence that, in dynamic and complex business environments, this traditional approach inhibits creativity and innovation, and decreases motivation, engagement and productivity.

Management innovation is a greater potential source of competitive advantage than traditional innovations of products, services or technology. Einstein's insights into relativity have influenced other disciplines such as art, music, religion or literature at the beginning of the last century. The main paradigm was that rational and analytical were inseparable from emotional and intuitive. Yet this key finding has not affected management thinking until recently. The main reason was the "if it ain't broke, don't fix it" mantra.

From the 1950s, the traditional management model flourished, with wealth creation for industrial nations based on increasing productivity. Then, with all the technological changes and increasing importance of knowledge, new business models emerged (such as Amazon.com), where talent, collaboration and innovation enabled faster commercialization of ideas.

However, embracing these new management approaches requires a shift in the mindset, which is not easy to achieve, and most organizations today are still managed using conventional, Newtonian management approaches.

The Management Shift

Not surprisingly, organizations, institutions and societies are in crisis. Performance continues to decline whether measured through Return on Assets or Return on Invested Capital; US firms' Return on Assets has dropped progressively since 1965, despite rising labour productivity. The average life expectancy of Fortune 500 companies has steadily decreased from 75 to 15 years in the last 50 years. Furthermore, data

BOILING FROG Traditional leadership	FREE FROG Emergent leadership
Traditional top-down leadership	Shared, distributed leadership, leadership as emergent collective action
Leaders lead by command and control	Leaders support autonomy, collaboration and self-organized communities of passion
Direction is provided by hierarchical leaders	Direction emerges from complex network activity
Key leadership traits: being tough, controlling, analytical	Key leadership traits: being inspirational, intuitive, cooperative, compassionate
Leaders provide centralized direction	Dispersed visions are supported
Leaders control around core strategic vision	Control is dispersed around complex interactions among employees, actions are guided by a shared vision
Change is an incremental movement, led by a formal leader	Change is created by the movement that emerges from interactive dynamics
Centralized coordination for alignment with strategic direction	Decentralized coordination of adaptive functions to encourage emergence and innovation
Leading for equilibrium and stability	Leading for change and adaptability
Searching for order and avoiding chaos	Accepting some chaos that will lead to homeostasis
Leading for reduction of conflict	Leading for creation of enabling conditions for innovation and engagement
Supporting unified views	Encouraging creativity from differences
Implementing comprehensive change programmes	Enabling emergent conditions for change programmes
Delegating tasks	Delegating responsibilities
Centralized decision based on a formal position in organizational hierarchy	Decentralized decision based on knowledge, decisions emerge through interactions
Leading based on fear and obedience	Leading based on inspiring initiative and creativity
Delegating and blaming when things do not go well	Leading by encouraging everyone to be a leader
Performance monitoring and evaluation	Empowering employees through inspiring great performance
Imposing rigid procedures, rules and regulations	Allowing flexibility with procedures, rules and regulations

shows that only 25% of the workforce is passionate about their work, despite the plethora of techniques and resources spent on learning and development. Global figures for engagement show that 80% of employees are less than fully engaged at work.

"The Management Shift" is based on people, purpose, collaboration, trust, transparency, community and autonomy (see boxout above). Authority is distributed and decisions are based on knowledge rather than on a formal

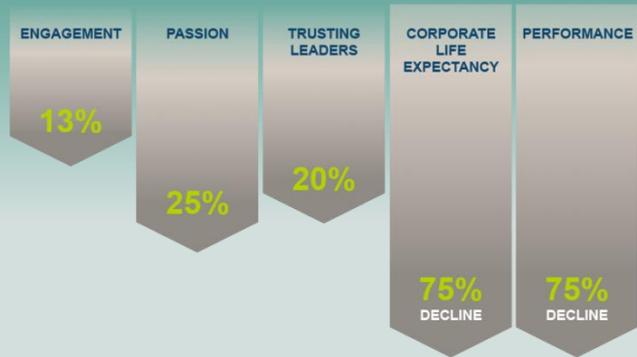
position in organizational hierarchies. Organizations are managed holistically as complex adaptive systems. The new approach brings better engagement, productivity, innovation and profit: this is the future of work and we can implement it now. Only by a complete change in leadership mindset can we rescue the frogs from the warming water, and set them free. ■
— Professor Vlatka Hlupic is a management consultant, executive coach and author



Traditional organizations resemble supertankers. Modern organizations should be run like sailboats

THE MANAGEMENT SHIFT

THOUGHT LEADERSHIP



WHY?

There is an increasing evidence for a need for new leadership approaches based on collaboration and new ways of thinking for achieving sustainable success

WHAT?

Evidence based performance transformation based on leading-edge research, empirical practice and large literature base



HOW?

We deliver The Management Shift Programmes to our clients using evidence-based methodologies and tools to help them achieve a major shift in an individual and organisational performance

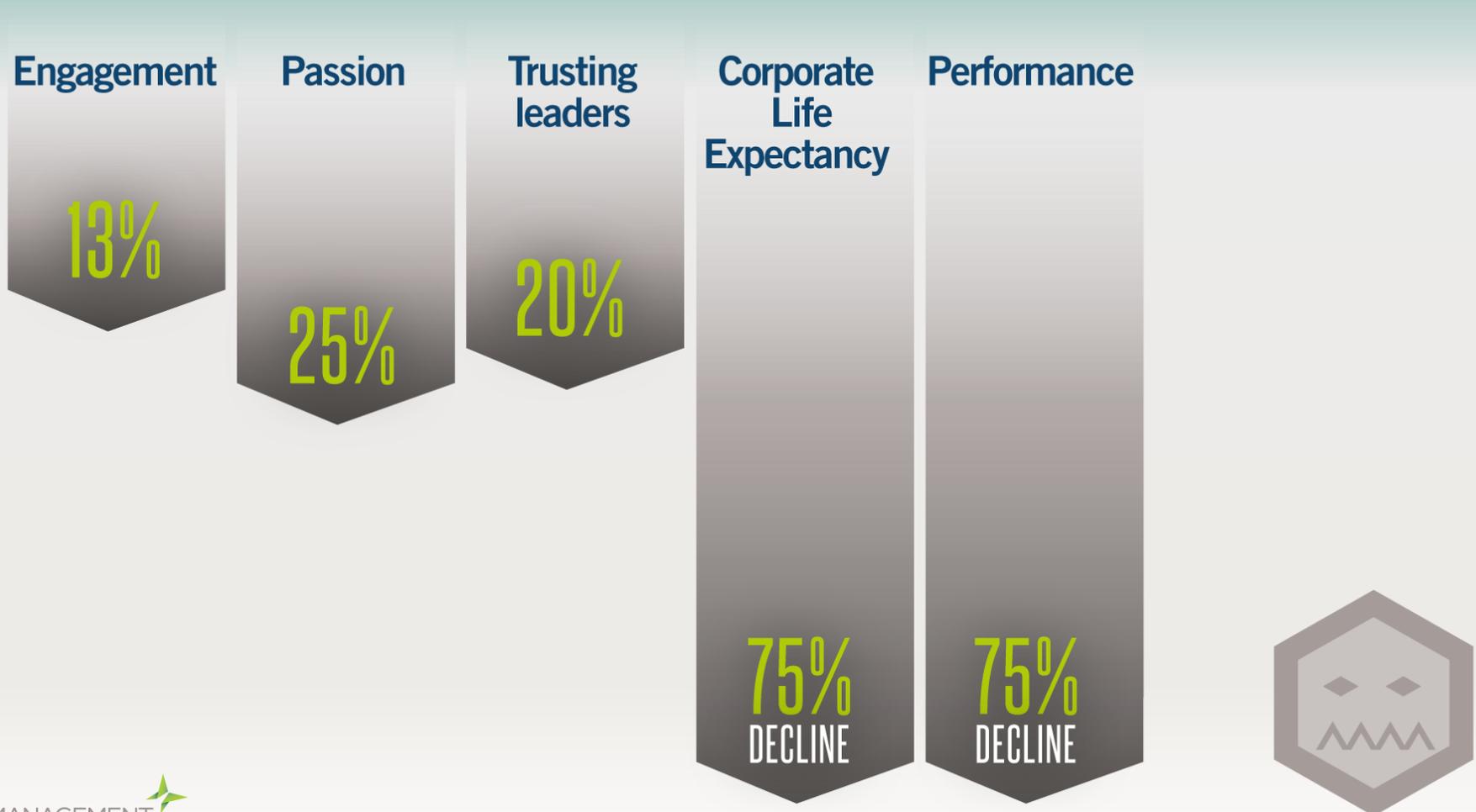


6 BOX LEADERSHIP



Why organisations must shift their culture

Key measurable factors on the decline



Organisational shift starts with leaders

- Organisational culture is a **reflection of leaders' consciousness**
- To create high performing cultures, leaders need to go first through the **shift in individual mind set**
- That shift will **spread like a ripple** through the rest of an organisation

Award-winning approach

Evidence is emerging of a new way to operate. This is demonstrated in the **award-winning, pioneering approach known as *The Management Shift*[®]**, developed by Professor Vlatka Ariaana Hlupic and used by many international organisations and by insights from 58 global leaders captured in Vlatka's new book ***Humane Capital***.



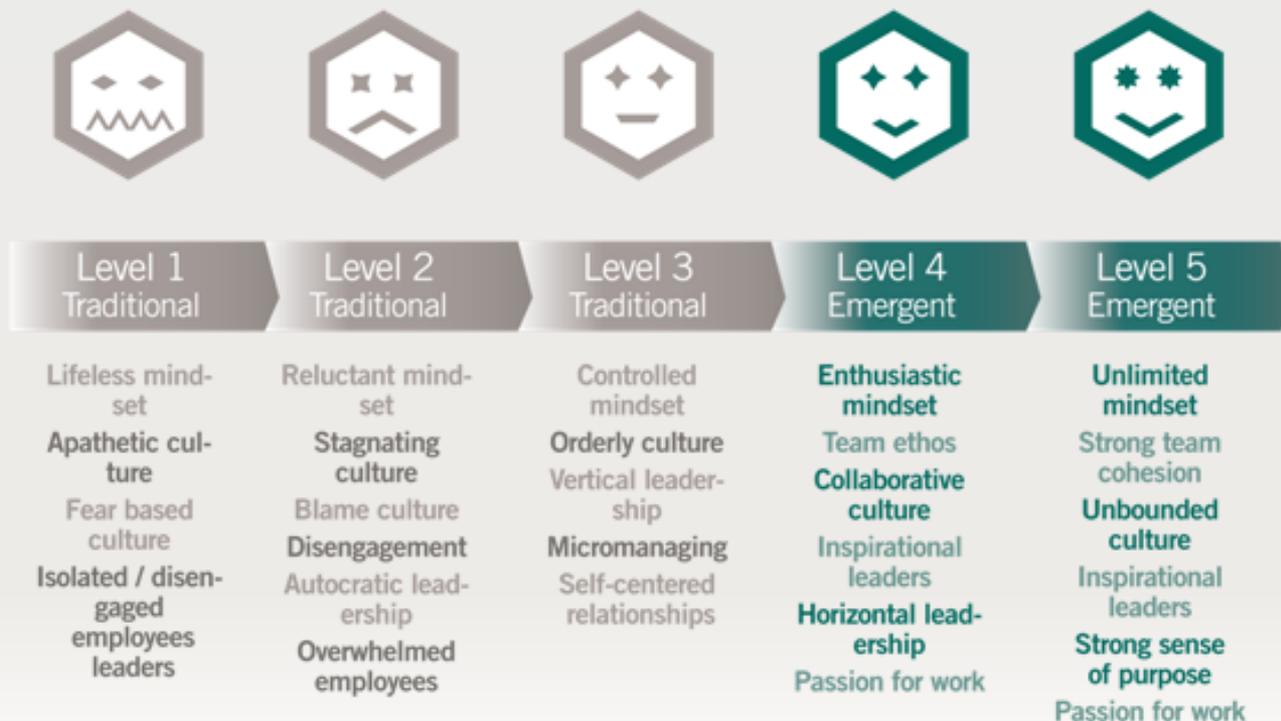
Shifting CEO's mindset to business success

Based on leading-edge research supported by numerous case studies, as described in *The Management Shift* and *Humane Capital* books, this exclusive, practical one-to-one leadership development programme is designed for CEOs to help them diagnose their leadership issues and **shift their mindset and to the new level of thinking, leading, and ultimately business success.**



The Emergent Leadership Model

The *Emergent Leadership Model* shows the different levels of maturity of organisational culture. Each level is characterized by a specific mindset, beliefs, language, leaders' behaviour and organisational outcomes.



The Big Shift

A particularly significant shift occurs when **moving from Level 3 to Level 4**. This is a sea-change point where the skills, ingenuity and teamwork skills of leaders begin to be unleashed.

The goal of this *Transformation For Success in the New Era Programme* is to help CEOs make this **Big Shift** and learn from the wisdom of 58 inspirational leaders with over 1700 years of collective leadership experience interviewed for *Humane Capital* book to achieve a step change in their personal and organisational success

What clients say about their results

'Vlatka provides a tailored service that allows clients to identify and strengthen their development areas. Excellent service with tangible results'

Paul Newman, Chief Executive in Health Care Sector

What clients say about their results

'If your organisation has the opportunity to engage with Professor Hlupic I am certain it will experience positive benefits and quickly observe tangible improvements.'

Martin Taylor, OD Director, City of Glasgow College

The Management Shift[®] : 2 key components

What is most effective is change at an individual level (for CEOs and members of the senior leadership team) that is then amplified at a strategic level and supported by appropriate resourcing and excellence in processes

The Individual Shift



The Organisational Shift

6 BOX LEADERSHIP



CEO Transformation For Success in the New Era



Consultation with the CEO on personal and organisational context and Objectives. Completion of individual and organisational diagnostics and The Management Shift® 360 Leader's Feedback. Analysis and preparatory bespoke reporting.



Completion of post-intervention individual diagnostics. Completion of The Management Shift® 360 Leader's Feedback to assess behavioural change. Optional additional organisational diagnostics.

Coaching session

Individual coaching with Professor Vlatka Hlupic or accredited The Management Shift® Coach - up to 90 minutes



Expected outcomes and benefits for CEOs

- Clearer personal vision
- Better strategic decision-making
- Greater sense of purpose
- Improved energy levels and passion for work
- Reduced stress
- More creativity and innovation
- Ability to recognise the mindset of others and helping them shift to a higher level
- Become a change agent and a role model within the organisation

Expected outcomes and benefits for the organisation

- CEO shifts to the new level of thinking and performing
- CEO is prepared to lead the process of organizational change
- CEO can help members of the senior leadership team to achieve the Big Shift
- CEO is able to bring the organisation to higher levels of success, leading to:
 - Increased revenue
 - Improved service
 - Increased employees' satisfaction
 - Increased productivity

Examples of business returns

Management Consultancy

Within 18 months after the 6 Box Leadership project was completed, the **revenue grew 500%** and company doubled in size.

IT Consultancy

During a six-month period after introduction of the 6 Box Leadership approach, all available consultants had been hired 100% of their time and the division achieved around **20-25% surplus revenue per month**.

FTSE 100 Company

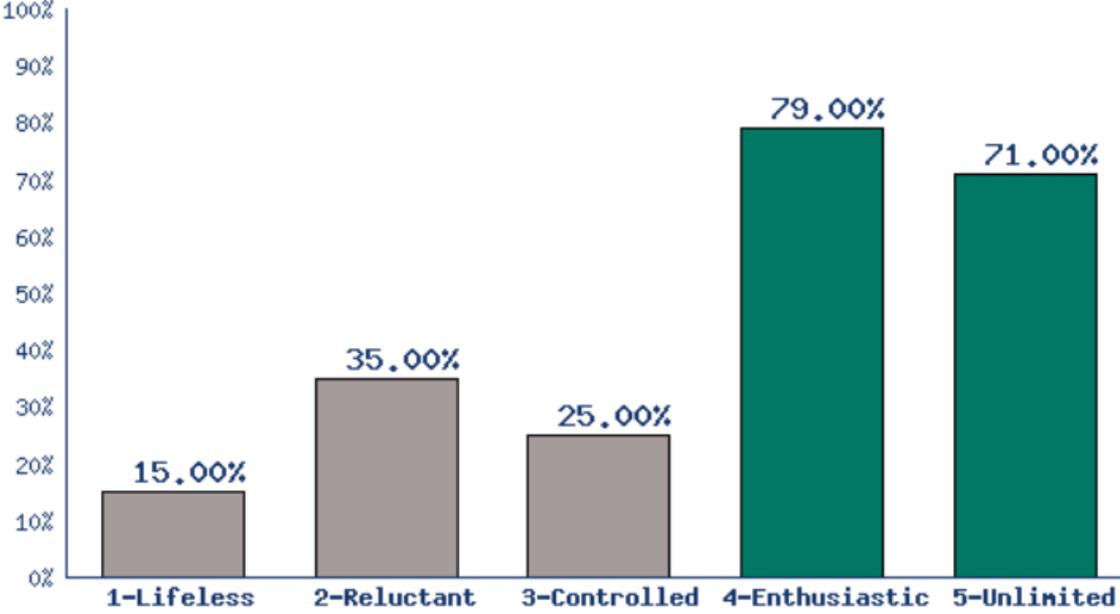
The firm used the 6 Box Leadership Model to facilitate a company-wide performance improvement initiative. This resulted in a **33% increase in revenue and an increase in net profit of 213%**.

Individual online assessment for Leaders



Example:

Your Individual Assessment Results



The Management Shift® 360 Leader's Feedback



The Management Shift® 360 Leader's Feedback

Leader: _____

Please rate the following statements on the scale from 1 (strongly disagree) to 6 (strongly agree) that apply to leader's behaviour:

Strongly disagree

Disagree

Slightly disagree

Slightly agree

Agree

Strongly agree

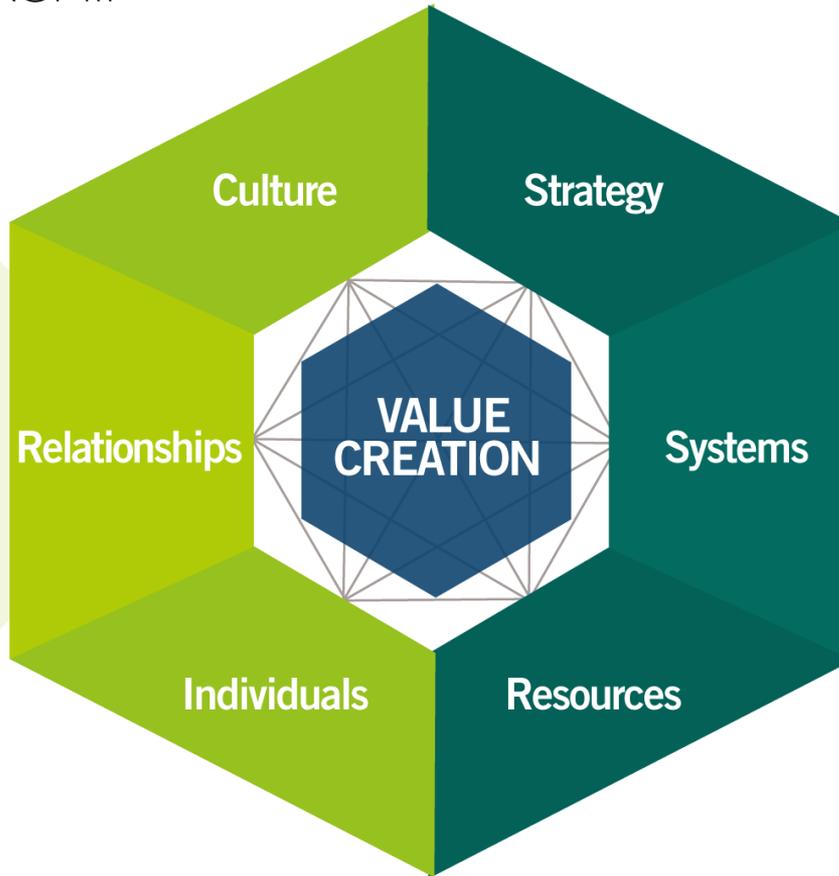
Organisational assessment for the CEO and senior leadership team: The first stage of The CEO Shift Programme



6 BOX LEADERSHIP



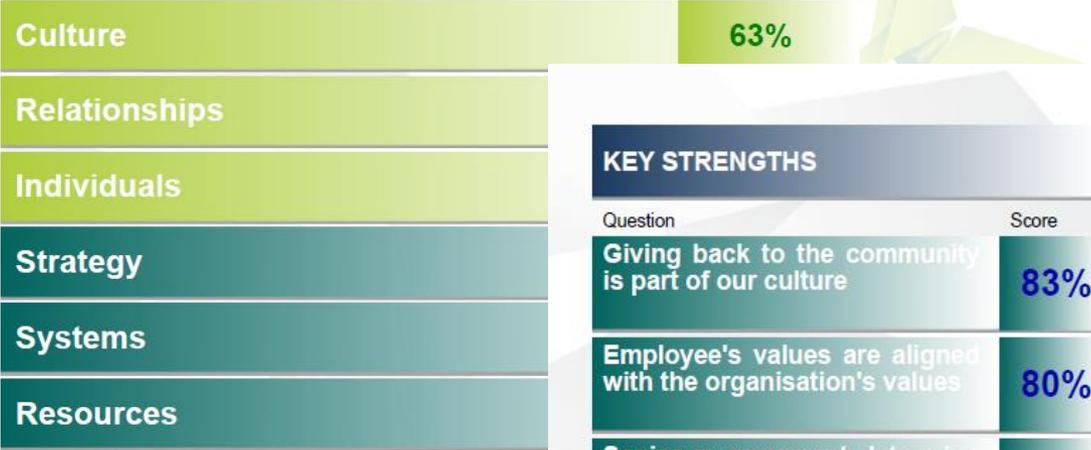
PEOPLE-RELATED ASPECTS



PROCESS-RELATED ASPECTS

Bespoke reports

Headline Results



Average Score:



KEY STRENGTHS

Question	Score
Giving back to the community is part of our culture	83%
Employee's values are aligned with the organisation's values	80%
Senior management determine the culture	75%
Accountability is part of our culture	75%
Our culture has a sense of purpose	70%

KEY DEVELOPMENTAL OPPORTUNITIES

Question	Score
Trust is part of our culture	50%
Employees are motivated to do their best at work	55%
Ethical behaviour is part of our culture	55%
Democracy is part of our culture	55%
Employees are overworked	55%

Examples of benefits observed by previous clients

'The programme helped me move through some challenging situations, it gave me tangible strategies to utilise and made me realise I'm making a huge impact on my team'

'Personally, it has helped me reflect and be more self aware of my language and behavior. This is also helping me professionally in all aspects of my role'

'The programme provides an opportunity for personal and professional reflection; it is helpful in envisaging long term goals and it raises my awareness of my own impact on others'

'The Management Shift is an essential strand of CPD/Management for individuals, teams and organisations who are looking to step charge, lead, innovate and make a difference'

Others on *The Management Shift*

Outstanding, unique work from one of today's most important management consultants! Excellent!

Marshall Goldsmith
Winner of Thinkers50 Leadership Award

The most articulate, fully researched and inspiring managerial manifesto for the 21st century corporation yet written.

Dr. Jules Goddard
Fellow, London Business School

Vlatka is a brilliant thought-leader in the how-to of leadership. Her development of the 6 Box Leadership instrument and more than 150 articles in the field clearly sets her apart.

Jack Bergstrand
CEO, Brand Velocity Inc.,
the former CIO for The Coca-Cola Co.

I have experienced Vlatka's excellent skills on innovative leadership approaches. The business results were outstanding and included productivity improvements and higher employee motivation and engagement.

Carsten Hentrich
Director, PricewaterhouseCoopers AG

Others on Humane Capital

'Not only are great leaders first and foremost good human beings, Vlatka's excellent book *Humane Capital* explains loud and clear how this can be translated into high-performance organizations and above-average return. Possibly the best investment you could ever make.'

Paul Polman, *CEO Unilever; Vice-Chair, United Nations Global Compact Board*

'Vlatka's contribution pushes an open door in the direction of how the Fourth Industrial Revolution envisions the role of organizations in the 21st century: Maximizing Human Well-Being. [...] A must-read.'

Mark Esposito, *Professor of Business and Economics, Harvard University*

PEOPLE

PURPOSE
CONNECTEDNESS

'Vlatka had studied an incredible list of "humane" companies and distilled the practices that more fully engage employees. These are incredible cases and even better insights that can be adapted to any organization. This book reinforces the importance of taking care of people who will take care of customers and others. Very well done!'

Dave Ulrich, *Professor of Business, Ross School of Business; Lifetime Achievement Award recipient from HR Magazine; Thinkers50 Hall of Fame*

'*Humane Capital* is an outstanding read from a management scholar who has worked extensively with leaders and businesses'.

Sir Cary Cooper CBE, *50th Anniversary Professor of Organizational Psychology & Health, ALLIANCE Manchester Business School, Lifetime Achievement Award recipient from HR Magazine, President of the CIPD*

HOW DO WE HELP OUR CLIENTS?

METHODOLOGY

TMS methodologies are evidence-based and empirically tested, leading to a shift in individual mindset and organisational culture for sustainable improvement in performance and business results



ORGANISATIONAL

6 Box Leadership Model



TOOLS & PROCESSES

TMS tools and processes developed on the basis of evidence-based TMS methodologies

The CEO Shift Programme



The Individual Shift Programme



The Organisational Shift Programme



TEAM

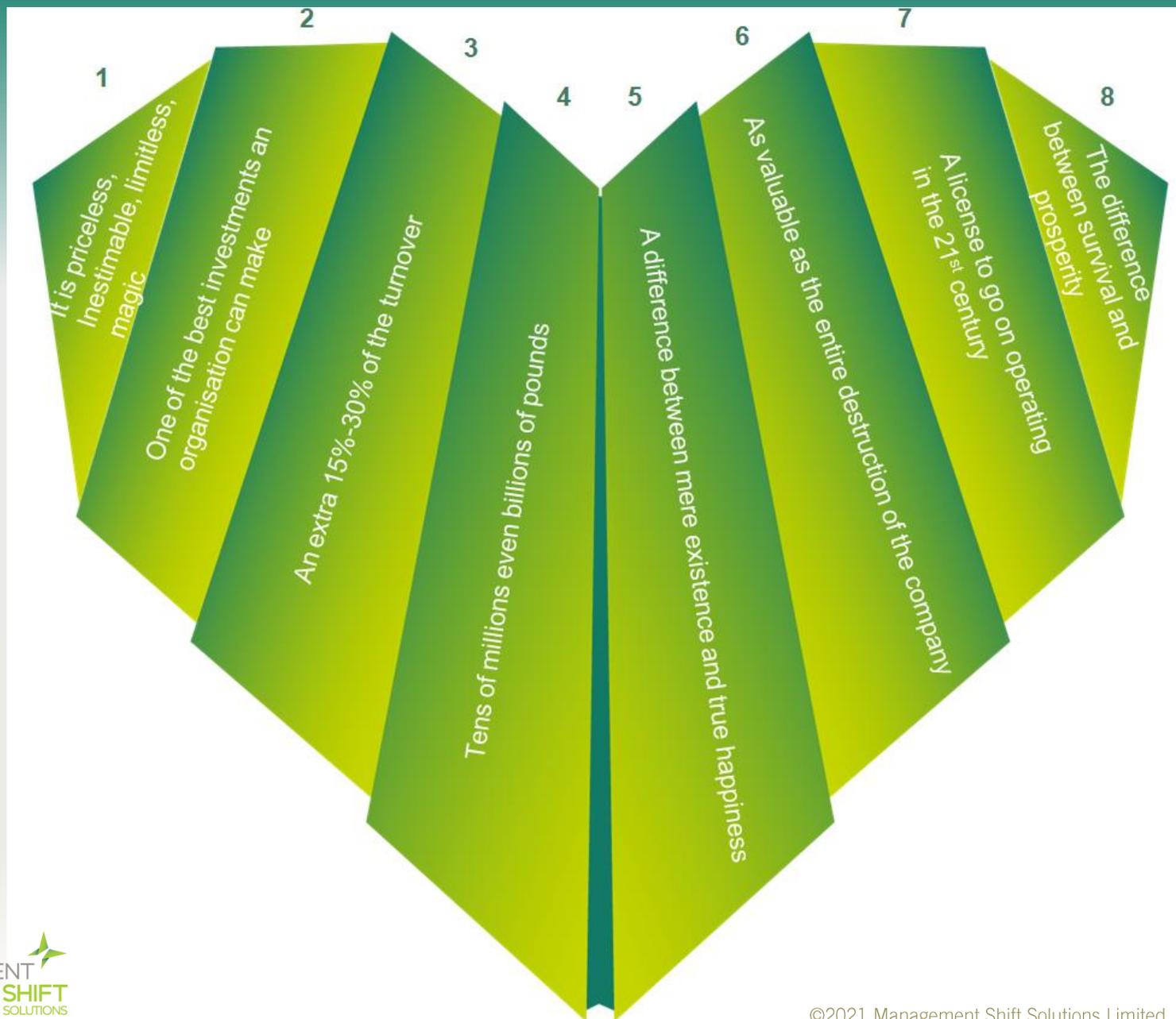
We provide a holistic approach with carefully selected coaches and consultants with extensive experience and interdisciplinary background

- ⊙ BUSINESS COACHES
- ⊙ EXECUTIVE COACHES
- ⊙ PSYCHOLOGISTS

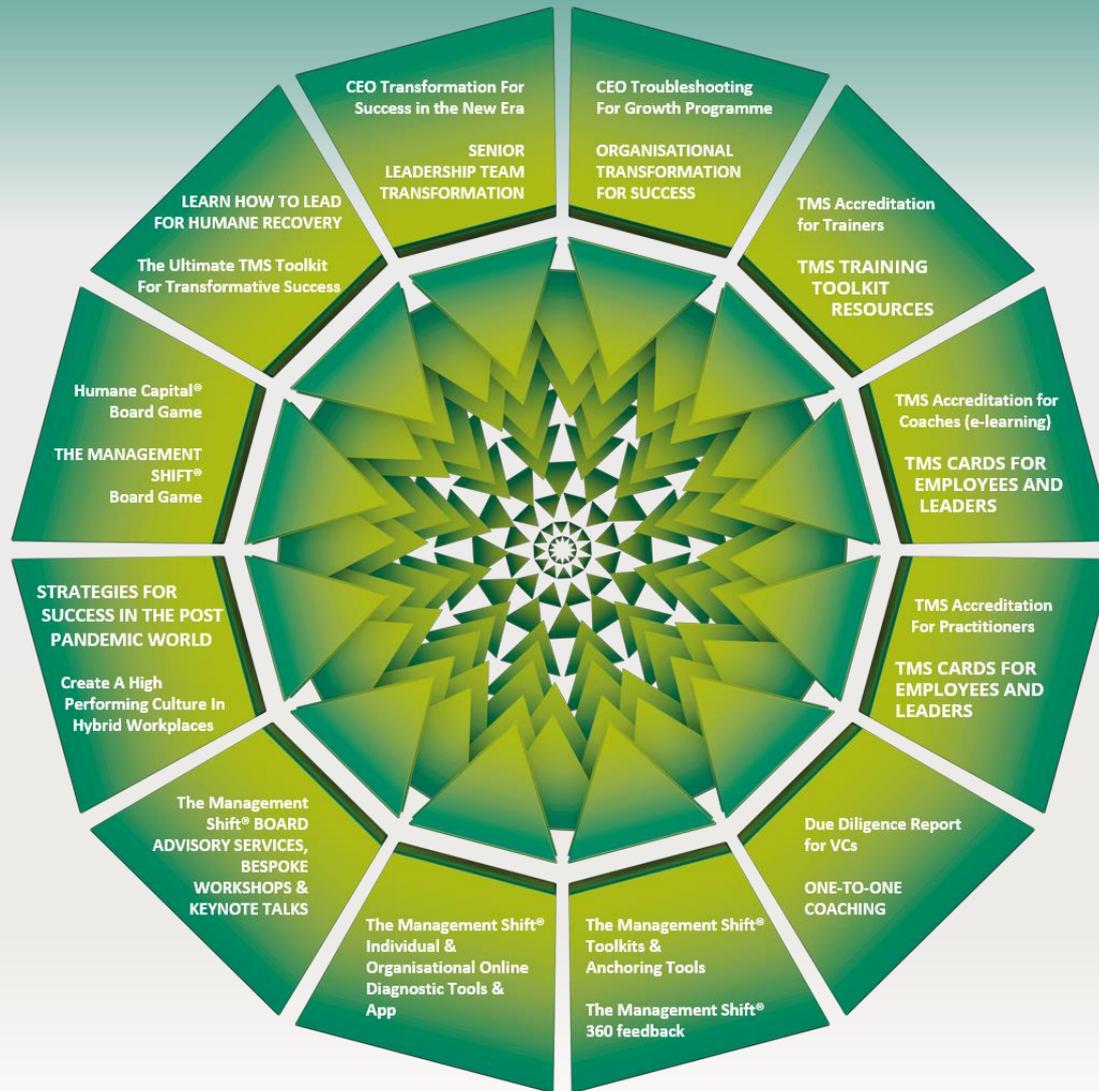
- ⊙ CHANGE MANAGEMENT SPECIALISTS
- ⊙ BOARD LEVEL STRATEGIC ADVISERS
- ⊙ PROJECT MANAGEMENT SPECIALISTS
- ⊙ EXTENSIVE EXPERIENCE IN PUBLIC AND PRIVATE SECTORS

EVIDENCE-BASED PERFORMANCE IMPROVEMENT

HUMANE CAPITAL RESEARCH: THE VALUE OF THE BIG SHIFT TO LEVEL 4



Creating ripples: Services and tools



Programme Creator



Professor
Vlatka Ariaana Hlupic

Professor Vlatka Ariaana Hlupic is one of the world's Most Influential HR Thinkers, an international award-winning thought leader on leadership, an activist for humanising management, and an author of a ground-breaking book 'The Management Shift - How to Harness the Power of People and Transform Your Organization for Sustainable Success' (Palgrave Macmillan, 2014), which was listed by Forbes as one of the top eight business books in 2014. Driven by her passion and purpose to make this world a better place, she is creating a global impact with her work, helping thousands of leaders and organisations worldwide to shift to a higher level of performance and profit whilst creating more engaging, purposeful and happier workplaces that do well by doing good.

She is Professor of Leadership and Management at Hult Ashridge Executive Education, Visiting Professor in the Department of Organizational Psychology at Birkbeck, University of London, former Visiting Faculty at Cass Business School - City University of London, and Visiting Faculty at the University of the Arts London, a former Adjunct Faculty at London Business School, a consultant for Said Business School, and former Professor of Business and Management at the University of Westminster. She is an Honorary President at the Academy of Executive Coaching. She is also a global faculty member of FT/IE Headspring Executive Education and a Global Thought Leader at ICG Group. She is also a founder and Chief Executive Officer of Management Shift Solutions Limited, a leading-edge coaching, consulting and training organisation. She received a PhD in Information Systems at the London School of Economics, as well as a BSc (Hon) in Economics and an MSc in Information Systems from the University of Zagreb. She was voted one of the Most Influential HR Thinkers in the world in 2015, 2016, 2017, 2018 and 2019 by HR Magazine and has won the Croatian Woman of Influence Award as well as an Honorary Award from the Leadership Awards in 2016.

Vlatka is the winner of the CMI Management Articles of the Year Award 2015 and the winner of the Axiom Business Books Award (silver medal in the 'Leadership' category). She has been nominated for the Thinkers50 list and 'Ideas to practice' Award. Her book has been shortlisted for the CMI Management Book of the Year Award and it has been nominated for the FT & McKinsey Business Book of the Year Award. Her latest book 'Humane Capital - How to Create a Management Shift to Transform Performance and Profit' (Bloomsbury Publishing, 2018) has been chosen as one of the top 5 business books in 2018 by HR Magazine and the Foreword was written by His Holiness the Dalai Lama.

As a renowned professional keynote and TEDx speaker, she regularly presents at major business events worldwide, including events at the Houses of Parliament, European Commission, Home Office, Global Peter Drucker Forum, the Economist and Financial Times. She has published more than 300 academic and practitioner articles, including the award winning 'To be a Better Leader, Give up Authority', Harvard Business Review, December 2009. She writes as a regular contributor on leadership for Forbes.

Vlatka is also an executive coach, management consultant and Board adviser, helping leaders and organisations worldwide to substantially improve performance, engagement, innovation and profit. She has advised major international organisations including the House of Commons, GlaxoSmithKline, BP, FTSE100 retail company, The National Health Service, Learndirect, Brand Velocity USA, the Drucker Institute USA, the Croatian Government and the Hungarian National Bank. For her coaching and consulting engagements, Vlatka uses her research-based and empirically validated tools described in 'The Management Shift' book, helping leaders and organisations worldwide to shift to the new level of working and success.





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