



P&L – When Was the Last Time You Really Checked It?

Leaders today constantly look at numbers, metrics, and trends. They check the year-over-year, the year-to-date, and the budget-per-plan. Numbers are worked, sorted, messaged, sweated over – and with good reason. Bonuses are judged largely on these numbers, and great leaders are terminated because of numbers. Numbers are important, so the obsession is valid. We get it.

But when was the last time you looked at the most important P&L in your business: your People and Leaders? Are we so focused on numbers that we lose focus on our People? After all, the biggest expense item in a budget is usually employee salaries and bonuses paid to your leaders. As such, a wise leader should proportionally be focused on their engagement, their performance and their happiness. If not, your budget is leaking; your numbers are diluted; and your P&L is losing interest. What is the surest way to accomplish this? Have a simple conversation.

Conversational leadership is as old as time. Gathering around the fire in a circle of warmth, our ancestors talked with each other. The success of the day needed to be lauded. The failures of the day needed to be discussed. Strategies for more consistent success needed to be hashed out. The future needed to be imagined and longed for so that mutual responsibility of achieving those goals would be accepted.

Steve Jobs understood the power of conversation. *Imagine: How Creativity Works* by Jonah Lehrer, told how Steve Jobs demanded organizational conversations to flourish: he forced everyone to go to a common space via the architecture of the Pixar building. Jobs insisted the meeting room be in the center of the building as well as the cafeteria, coffee bar and employee mailboxes. (Remember employee mailboxes before Steve Jobs changed our world?) Jobs even required that architects locate the only set of bathrooms in the building's atrium. (Although later, he was forced to compromise on this detail.)

Jobs understood the value of a natural cross-pollination of conversations. Conversations give birth to the life of an organization, just as breath and heartbeats keep the human body alive. Frequent conversation is the recipe for a soup of serendipity: problem-solving, creativity and engaged employees. And engagement, as multiple studies have shown, can increase productivity and financial success by as much as 200%.

So as a leader, what can you do? Create a physical environment and cultural environment that allows for conversation. From informal water-cooler conversations and informal mentoring by colleagues and managers, conversations are a powerful tool for improvement. More structured exchanges through formal coaching and knowledge-sharing exploit the power of conversation. Leaders should continually be thinking about ways they can foster conversation.

For your own reports, strategic conversations should be part of your schedule to lay a foundation of mutual responsibility. These conversations, at least quarterly, provide clarity of goals, coaching, and a feed forward vision of what is to come. A Bersin & Associates study, "Maximizing the Impact of Goal-Setting and Revising," showed that when leaders are more conversationally interactive on an ongoing basis about goals, they have better business outcomes than those that do not. Specifically, those organizations that converse about their goals (or revised goals) at least quarterly are nearly 50 percent more likely to have above-average customer satisfaction and 65 percent more likely to be effective at controlling costs than those organizations that only revise their goals once per year.

<http://www.bersin.com/Lib/Rs/ShowDocument.aspx?docid=14505>

Are these conversations easy? Yes, for the lucky few. For the rest of us, a little professional coaching can go a long way in order to maximize effectiveness and not fall prey to pitfalls.

If you need help with reflexive listening, feed forward discussions or conversational coaching, please contact Scott Robinson at Robinson Resource Group, office#708-738-5040 or email Scott@RRGexec.com.