

Strategic Trends™

Managing the Human Side of BusinessSM

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Special points of interest:

- Learn about the importance of "Trust" for your organization.
- Learn about the importance of leadership to cultural change.
- Learn how not to destroy Accountability in your organization.
- Are you ready for the future? It may just be closer than you think!

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The Importance of Trust

If you watch business news channels, you've probably seen the following advertisement. It is a series of everyday people making a variety of statements. "What I need is the truth," one person says. "I expect integrity" says the next. "I deserve honesty, don't you think," says another.

The advertisement is about the recent scandals that have rocked the business world over the past couple of years, and how people don't have to worry anymore, as there is now a "watch dog" keeping an eye on things. But what the people, the investors, are really talking about is the issue of TRUST!

Trust is so important to the existence of any organization, and is

needed at all levels. Not only do shareholders need to be able to trust the organization, but its customers and employees also need to be able to trust it, too.

But who is really the organization? Well, of course, everyone in the organization makes up the organization. But it is the Leadership of the organization that sets the stage for the trust level within the organization. They set the climate.

In a recent research study by Cornell University's School of Hotel Management, it was discovered that the trust level created by management of a hotel had a significant impact upon the profits of the hotel.

When ranked on a scale

www.ResourceDevelopmentSystems.com/articles.htm

Leadership for Cultural Change

In a couple of previous articles, we've talked about the importance of culture to the success of the organization. We've also talked about how organizations need to take a different approach

to strategic planning by focusing on the core purpose and values of the organization. We think these two issues go hand in hand.

By focusing on the core

of 1 to 5, with 5 being the highest, they asked staff to rate how well their managers "walked their talk." In other words, could the employees trust their manager to do what they said they would do.

What was discovered is that there is a very strong link between the ability of the employees to trust their managers and the employee's commitment to the hotel. As trust level increased, commitment levels increased. This resulted in a significant increase in the delivery of service levels to the customer and increased profits.

Just increasing the trust level by 1/8th of a point on the 5 point scale resulted in an increase of profits by an average of over \$250,000!

For more information, read our article on Trust on our web site.

purpose and values and putting them into action, you begin to build your new culture that is the primary determinant of your organization's success. But how do you get started?

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RDS Brings on New Staff!

Resource Development Systems, LLC is very pleased to announce that we have recently hired three new staff members.

The first is **James Barnes**. Jim is a former trainer for USAir, focusing on their overseas operations. Prior to working with USAir, he also worked in training and human resource operations for such organizations as Kroger, Jewel Osco, and Fleming Foods. In addition to joining RDS as a Senior Consultant, Jim has also recently attended the first level of training by Tomorrow's Workplace, allowing him to work with our clients on this fantastic new approach to cultural change.

The next person is **Tom Begier**, Senior Consultant. Tom is a highly energetic, passionate and compassionate person, who has a drive to help clients through the cultural transformation process. A seasoned business owner, speaker and consultant, Tom has spoken on 4 continents, and worked with a variety of organizations. Tom's background is in high-tech and aviation, working in the past on the F-16 Fighting Falcon Project for the US Air Force.

Tom is scheduled to attend Level 1 Certification for Tomorrow's Workplace in June 2003.

Andrea Haller joins RDS as our new Director of Business Development. Andrea spent over 19 years working with FIND/SVP, heading up a variety of projects involving marketing, research, and competitive intelligence.

Some of her clients included AT&T, IBM, Citicorp, Mastercard, American Express, Amgen, Dupont, Random House, and many others.

Andrea's vivacious personality and high energy levels will insure that our potential clients will get the information that they need to make decisions about how RDS can help them achieve their goals and dreams.

Two RDS Consultants Achieve Certification!

RDS is pleased to announce that two of its consultants have recently become certified in the **Tomorrow's Workplace** techniques. Jim Barnes, Senior Consultant, and Gary Lear, President and CEO, recently attended the Level 1 Certification in Chicago in April.

Tomorrow's Workplace is a series

of concepts and approaches to help organizations create a Freedom-based environment that will allow them to find and keep accountable people who want to and can be responsible for their own jobs.

Tomorrow's Workplace is based upon the principles found in the book "Accountability: Freedom and

"Freedom can't exist without Shared Values; Shared Values can't exist without a freedom-based environment."

Rob Lebow

Responsibility without Control" by Rob Lebow and Randy Spitzer. They founded **Tomorrow's Workplace**, along with Keith Ayers.

2nd Annual AIA Facilitator's Retreat

RDS is pleased to announce that we are hosting our **Second Annual Adventures in Attitudes Facilitator's Retreat** in Daytona Beach, Florida. Dates are Wednesday, 30 July 2003 to Friday, 1 August 2003.

We've adjusted our format this year to accommodate those who want to learn how to facilitate this

wonderful program (3-day program); those who want to just brush up on their facilitation techniques (1-day program), and those who just want to attend the AIA program as a participant (2-day program).

Attendance includes all of the materials for the given program that you wish to attend, and breakfast and lunch for each day of

attendance. And don't forget we'll be overlooking the World's Most Famous Beach!

For more information, pay a visit to our web site and click on the Events button on the left. Or give us a call! We'll be happy to tell you more about this fantastic program called **Adventures in Attitudes** and how you can experience it and our unique Facilitator's Retreat.

Leadership for Cultural Change (continued from page 1)

It all begins with the top leadership in your organization. Research by John Kotter and James Heskett, both Harvard Business School professors, reveal that cultural change can not be driven from the bottom up. In their book "Corporate Culture and Performance" they reveal that those organizations that tried to drive cultural change from the bottom up all failed to create the adaptive cultures that would increase their success.

On the other hand, just driving culture change from the top doesn't always work, either. It takes competent leadership at the top to

be able to accomplish the change.

Leaders need to create a team to establish a new vision for the organization (based upon the core purpose and values), and then they need to gain the commitment of key individuals to this new direction. Finally, the leader and the key individuals work together to energize the personnel sufficiently to make it all happen despite the obstacles.

These leaders also realize that this cultural transformation won't happen over night. It will be a long hard battle and there will be some

losses as the change is undertaken.

But the key is to keep people focused on the Vision, and to help each and every person in the organization to find their own "keen internal vision" of how they contribute to the core of the organization. It is the top leadership and the rest of the managers who will inspire the other members of the organization to continue no matter what failures they might encounter, and to create the environment that will allow people to eventually instill the new culture.

Ten Ideas that Keep Employees From Being Accountable (part 2)

Last month we talked about the first 5 Ideas that keep employees from being Accountable. They were: Incentive Pay Programs; Internal Competition, Performance Reviews; Forced Ranking Systems, and Personal Improvement Plans.

In this issue we look at the next 5 Ideas that will keep your employees from being Accountable.

6. **Managing People:** Makes the manager accountable, not the employee, and suggests people need watching.
7. **Restrictive Policies and Procedures:** Inhibit creative solutions that lie outside established policies and procedures and, by demanding compliance, give people an excuse not to be accountable for making wise choices.

How to Create Accountability:

- Grant individual freedom as a right
- Ask everyone to be personally responsible
- Have Faith In People!

8. **Employee Recognition Programs:** Discount the contributions of those who are not recognized, encourage "suck-ups," and foster office politics.
9. **Mission, Vision, and Values Statements:** Imposed from the top, are seen by most as mere wallpaper that, at best, are ignored; at worst, create cynicism.

10. **Traditional Job Descriptions:** Restrict personal initiative by telling people what they don't do.

How many of these does your organization use? Successful organizations don't rely on these approaches to achieve or maintain their success. Those that give up these "artificial" approaches to Accountability find that their employees are more Accountable and they achieve more.

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Newsletter

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Managing the Human Side of Business SM

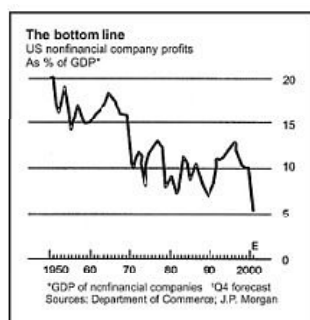
Resource Development Systems, LLC helps organizations move to a higher level of performance by tapping into the power of each member of the organization, and by helping to create environments of responsibility, accountability, innovation, and success, with a strong focus on delighting customers.

We offer

**Uncommon Results to
Common Problems!**

Future Trends

In the book "Follow this Path," the chairman and CEO of the Gallup organization talked about the following graph.



The Economist, December 8, 2001, p. 65.

This graph depicts the steady decline of profits as a percentage of GDP in the USA over the past 50 years. In other words, profits are continuing to decline compared to

the investments we are making in our corporate operations. But how can this be? Because organizations have continued to engage in a costly price war, cutting and slashing both prices and costs.

The problem with this approach is that someone will always be able to cut costs more than your organization can, thus, enabling them to also cut their prices more. And neither of these approaches (slashing costs and prices) really contribute to increasing margins and profit for organizations.

The solution? Yes, you do need to control costs. It is imperative to maintain any sort of competitiveness. But it shouldn't be your focus. Your focus should be on increasing revenue by

increasing your customer base without having to cut prices, and without having to cut profits.

The only way to do this is to increase the value of your product or service to your customer. But the success of this approach is based solely on the ability of your organization to be able to find committed employees that will provide this value to your customers.

It is this dramatic link between the commitment level of your employees to the commitment level of your customers back to your organization that seems to allude so many CEO's, COO's, managers, and supervisors.

Organizations that understand and capitalize on this link will be well positioned in the future.