

# ‘Needed, a new metric called peoplequity’

Though qualities such as humility, compassion and collaboration are not immediately associated with work environments today, Tom and Susan Kuczmarski see them as essential ingredients of the new success model.

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Meet the Kuczmarskis, Tom and Susan, the authors of *Apples Are Square* ([www.kaplanpublishing.com](http://www.kaplanpublishing.com)), a book on ‘thinking differently about leadership’. The new success model they advocate for leaders has six dimensions – humility, compassion, transparency, inclusiveness, collaboration and values-based decisiveness.

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Thomas (Tom) Kuczmarski has, for the past three decades or so, been an adjunct professor of new products and services at Northwestern University’s Kellogg School of Management, where he teaches graduate and executive courses on innovation. He was a brand manager at Quaker Oats and a principal at Booz, Allen & Hamilton. Tom has written three books on innovation, including *Managing New Products*, *Innovation* and *Innovating the Corporation*. He co-founded, with the *Chicago Sun-Times*, the annual Chicago Innovation Awards.

“The ‘control and compete’ mindset has to change,” they say, in a recent interaction with *The New Manager*. “We now have a globally integrated society. We must connect different cultures, backgrounds and those speaking different languages. Our six leadership qualities can serve as the glue.” Excerpts from the interview:

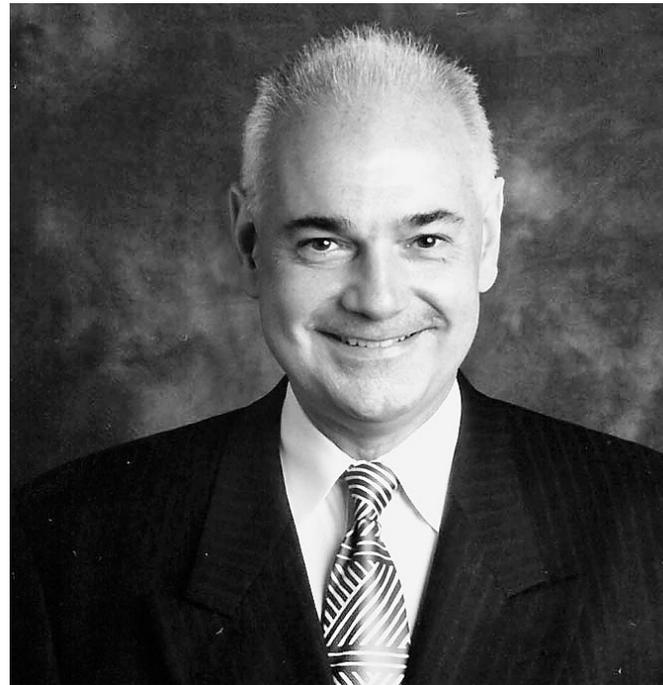
**If we were to ask leaders, they’d say the bad apples are among their staff. What do we tell such leaders?**

Maybe they’re not bad apples – they’re just a different variety of apple, perhaps belonging on a different tree. Leaders can frequently misjudge “apples.” Visually, they are just unhappy employees who don’t feel free to think, empowered to act or encouraged to perform. This type of leader will cause high turnover and eventually lower profitability. The cost of people leaving the organisation will eventually catch up with the leader, who will likely leave or, if not, must dramatically change. However, if this type of accusatory leader is in place, then the workplace culture can be frustrating and intimidating until departure or change occurs.

What do we tell such leaders? Encourage them to make a shift: Share leadership. Relinquish control. Collaborate. Serve others. Motivate teams. Inspire individuals. Fortify employees to accomplish great things. Ask



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these leaders to focus on these questions: Do I make employees feel like they’re capable of achieving more than they thought they could? Do I make them see their strengths? Do I improve their work lives?

**Can humility, the number one dimension, go counter to authority?**

Humility actually creates power. By being open and vulnerable, employees are able to better intrinsically respect the leader at the top. How do you practise humility? Express concern for others. Take responsibility for your mistakes and learn from them. Express gratitude for the good and bad. Admit mistakes. Apologise when you are wrong. Give credit to others for their help in your success. Show patience and forgiveness when treatment is unfair. Be gracious when accepting feedback. Authority is not undermined when these practices of humility are in place. Rather, more respect for the authoritative person occurs.

**Do you think your leadership model is relevant to an emerging economy like India, where growth and development imperatives often push away any demand for quality work environments?**

This is the perfect time for an emerging economy like India to adopt our new leadership paradigm. The qualities we unveil – in

particular collaboration and teamwork, relationship building and compassion, values-based decisiveness and inclusiveness – make people feel valued, increase their overall sense of significance and, in turn, directly influence productivity and bottom line profitability. It is just good business.

Importantly, managing and motivating people with compassionate, collaborative, transparent and inclusive leadership not only positively affects the traditional bottom line, it also gives a boost to hard measures including ROI, stock price and operating earnings. As a result, there are compelling economic reasons to offer quality work environments and place high value on the people within organisations.

**Have you come across situations where employees understand your views far better than the leader? So, what happens then? Similarly, how can change be brought about among peers?**

Yes, this is especially true when the leader is out of touch with the staff. What can be done? Rally with peers. Form teams and create your own culture. Establish values and norms with colleagues. Doing these things creates change.

Sometimes, a leader’s position at the top obscures the view! Staff often understands

the value of our six qualities more quickly than the leaders. What can one do about this? Focus on the benefits of each of the six qualities. In our book, each leadership quality has a separate chapter; we have written a section within that chapter on “the benefits” of each quality. For example, the benefits of the quality of transparency are: there are no hidden agenda; it is easier to solve problems because you can get at the truth; and if trust and candidness are in place, it is easy to have honest relationships because you know where people stand and how they feel. Similarly, there are specific benefits to each of the other five leadership qualities – humility, compassion, inclusiveness, collaboration, and values-based decisiveness. To bring about change, then emphasise the benefits of each of these leadership qualities within the workplace setting.

**Do we need a different set of measures to assess the worth of companies?**

Yes. Today when you look at a company’s balance sheet, all tangible and intangible assets are listed, except one – its people. It is unbelievable that companies value, count and place a financial worth on their plant, equipment and other hard assets, even intangibles like goodwill, brand value, distribution networks, patents and so on. But

nowhere is there any metric for the economic value of an organisation’s biggest and most important asset – its people. Our view is that a new metric must be created, called ‘peoplequity’ to evaluate and appraise the economic worth of people. If we can calculate an economic worth for goodwill, then why aren’t we defining a separate economic worth for the number one and most valuable asset – people? In a nutshell, we have found ways to better measure the talents, skills, competencies and competitive advantages of our people – not just our plants, equipment and technologies. Importantly, the concept of ‘peoplequity’ tells employees: “Our people are worth something.”

**Can some apples be so bad that you may have to discard them totally!**

Yes, once the “core” of an apple has begun to rot, it’s often too late. This means that the moral fabric of the individual has deteriorated to such a degree that his/her impact will negatively impact everyone in the organisation. Have you ever been around such people? They are toxic and the “waste” they dispense is too caustic for an organisation to absorb. Cut them out.

**Shouldn’t our education system groom students in the six qualities you discuss? Later in life, at the workplace, won’t learning these be near impossible, because of hardened mindsets?**

Absolutely. The earlier the better. Start experiencing and practising our six leadership qualities in elementary school. Apply them in high school and further reinforce them in college and university settings. By the time an individual enters the workforce, these qualities are familiar and ingrained and are already part of an employee’s mindset and behaviour. One of the 25 leaders we interviewed in *Apples Are Square* was an elementary school headmistress. She has consistently valued, taught and encouraged “inclusiveness” – one of our six leadership qualities – in her young students from the age of four years on. Without a doubt, children in her school have learned how to be inclusive and have added this leadership quality to their set of behaviours.

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