

CHAPTER 7

HUMBLE LEADERSHIP AND EMPLOYEES' SEEKING SYSTEMS

6:30 in the morning, still dark outside. The alarm squawks at Zhang Min and her eight-hundred-square-foot apartment in Chengdu, China, just outside of Chongqing Nan'an. She'd love to eat something before she leaves, but she needs to make the train to get to work at Standard Chartered Bank, the British multinational financial services company.

Soon after, she is squeezing through the forest of arms and torsos toward the train door at Nanping station, just like the other 900,000 people using this stop today. Her belly grumbling, she wishes she'd eaten a boiled egg on the way to the station. It's hot—almost 85°F. It's going up to 104° today.

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Getting out of the train, she makes her way over to the Chongqing Wanda Shopping Centre with ten thousand other employees. The breeze along Jianguan Avenue outside feels good on her face, which is damp from the train. As she approaches the front door of the branch, she can tell something is going on. There are too many people in the main lobby for this early in the day. She checks her watch and quickens her step. The branch doesn't even open for another twenty minutes; they can't be customers.

Some unfamiliar faces—men in red aprons holding trays—seem to be in the middle of everyone. “Did I miss an announcement?” Zhang Min wonders. She shoots a questioning look to Mai with raised eyebrows, but Mai only holds up a juice and smiles.

Still confused, Zhang Min tries to squeeze through the crowd to get to her desk, but an aproned man smiles and hands her a drink and a warm box. He introduces himself as Jungkiu Choi, the new head of Consumer Banking. Zhang Min's heart jumps and she hopes her fear doesn't show in her eyes. “But we aren't ready yet!” she says, wondering how her branch manager messed up this visit.

Each year, the Standard Chartered Bank executives make a pilgrimage to each of its branches. But their visits were always announced in advance, giving the employees time to prep. Last year, Zhang Min put in about twenty extra hours, cleaning and painting the public areas, making all the filing systems neat, preparing the PowerPoint presentations. It was hard keeping up with her usual customer relationship work during this preparation, but the branch manager was intent on showing the executives a “clean face.” Now, the executives were here in the building, and Zhang

Min and her colleagues had done nothing to make their visit a good one. Her stress levels rise.

No one else seems anxious, though. Looking around, Zhang Min sees several of her coworkers are laughing, smiling, and eating with the head of the region, who is also serving food, wearing a red apron. Zhang Min can't believe what she's seeing. Last year, she stood waiting outside in the burning sun with drinks, sweating all the way through her blue blazer, to greet the executives. By the time they arrived, two and half hours late, the ice had melted. And, after all the overtime she had worked to prepare for their visit, she felt melted too.

Today, after everyone has arrived and has had some breakfast, Jungkiu asks Zhang Min and eight other branch employees to join him in a "morning huddle." In a small meeting room, he tells the team that he would like to discuss what problems are blocking great customer service at the bank. His job, he tells them, is to try and eliminate those problems, and he'll do everything in his power to help them.

As Zhang Min finishes her pastry, she can't believe what she's hearing. Never before has an executive asked her and her colleagues how they might solve problems. At last year's visit, for example, the team wanted to propose extending the branch's hours of operation. But after serving the executives their meal, presenting their extensive PowerPoint demonstration, and giving their well-scripted Q&A session for the leaders, they ran out of time to talk about what mattered most to the branch employees. Zhang Min shut off after that. "It's just a job; it pays the bills," she thought, and she began to keep her ideas to herself.

Servant Leadership

When Jungkiu Choi moved to China from Singapore as the new head of Consumer Banking, he learned that one of the cultural expectations of his job was to visit the branches as a “superior commander.” When the previous consumer banking heads made branch visits, they emphasized the organization’s hierarchy and their power. This put a lot of pressure on the branches, as staff would spend weeks anxiously preparing for the visit.

Jungkiu Choi didn’t see the point. In his view, this practice put a lot of undue stress on the employees, so the visits weren’t productive. He saw the leader’s role as something quite different—imposing authority was not the way to engage his employees in change. In this chapter, we will see that when leaders are trying to activate employees’ seeking systems with experimentation, being humble and trying to learn from employees is more effective than emphasizing hierarchy. As Gary Hamel once told me: “Show me what you can get done when you have no budget and no authority. That’s how you know you’re a leader.”

As one of his first actions in his new role, Jungkiu decided to lessen the burden of executive visits to branches. Along with his team, he instituted three key changes from which everything else flowed: (1) branches would not be notified of the visit; (2) the visit would start with executives serving breakfast rather than making the branch employees wait for executives to arrive and then serve them meals; and (3) the executives would hold “huddles” and ask how they could help employees improve their branches. Jungkiu’s trip to the Chongqing Nan’an branch, where Zhang Min worked,

was his first official visit. Along with the head of Consumer Banking, head of Distribution, and head of the region, he arrived early and greeted employees with breakfast as they arrived at work. Many of the employees were very surprised and initially did not know how to react. But after they received their breakfasts and talked about their ideas for improving how the branch worked, they were energized. As one employee wrote in the company bulletin: “Jungkiu believes if we want to treat our customers well, we must treat and surprise the frontline as well. He believes in servant leadership. Jungkiu, Victor, Alan, and Marco are dressed in aprons and are serving our staff breakfast. Never seen such charismatic waiters, right?”

I suggest that Jungkiu’s new approach worked because it tamped down employees’ fear and encouraged ideation and self-expression, which activated their seeking systems. The result? Jungkiu unleashed lots of good ideas and enthusiasm for improvements.

Although he was achieving good results at the branches, putting this idea into practice wasn’t easy. When he first announced his new approach, Jungkiu had had trouble convincing other leaders. Many of the executive team members did not support the idea. They told him: “In China, the boss should retain mystique and cannot be too close to the front.”

Jungkiu worried about this attitude. He told me: “The fundamental question I discussed with my executive team was whether the job of a business leader is the “emperor”—someone who rules above you—or the “facilitator”—a vision shaper and bottleneck remover. If we define ourselves as the former, the leader should

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keep the distance and retain mystique. If we define ourselves as the latter, the leader should be humble, close, and open.”

Over the course of one year, Jungkiu visited over eighty branches in twenty-five cities. His consistency helped convince employees who were skeptical at first that the visits were a “one-off.” The huddles, focused on employees’ ideas and experiments, were interactive sessions that included role-play around customer conversations (and usually included laughter and joking). Some of the role-plays focused on the new customer financial planning tools, and seeing how they actually worked and where they were difficult.

In this way, the new branch visits were work-focused, but they were fueled by positive emotions created by the seeking system. The openness of the huddle exposed the most simple of pain points that Jungkiu could easily help solve (for example, training for the new bank systems, or making upgrades to computer memory so that the old computers could handle the new software).

Jungkiu told me that repeating the breakfasts and listening sessions was important because when he took the job, branch employees’ anxiety about management was as high as their trust was low. Previous banking heads came to the branches after receiving their promotion and tried to squeeze performance mainly through exploitation—cost reduction and short-term tactics—before moving on to their next job. Jungkiu was the eleventh consumer banking head in ten years, and many of the employees’ ideas and frontline pain points had simply not been addressed by previous leaders.

For example, one of the Shanghai branches was inside of a shopping mall. In the huddle, employees asked Jungkiu if they could open and close the same times as the mall’s operating hours

(rather than the typical branch operating hours). This would include opening on the weekends. The team *wanted* to experiment with working on the weekends. Within a few months, this branch's weekend income generation surpassed its entire weekday income. This was not an idea that Jungkiu had even imagined.

Jungkiu also found that encouraging experimentation increased peoples' confidence to innovate, leading to more enthusiasm and commitment. He told me: "If you let a call center solve a small customer dispute, without asking for any reports, I find they manage as if they are the owners of the bank. If you impose too many processes and rules on the call, they mechanically follow the processes and rules, without concerning themselves with benefits or costs to the bank or the customers."

This goes back to the importance of letting employees find the freedom within the organizational frame. And, Jungkiu's experience also echoes what we saw in the Italian white-goods facility in chapter 5 and the Dealogic example in chapter 6: the seeking system generates enthusiasm and an intrinsic motivation to understand and explore, rather than an extrinsic motivation to simply follow existing approaches.

At another branch in Ningbo, the team asked if they could try hiring more direct sales staff. They described their opportunities to serve customers and why they believed they could hire top-quality talent. The branch manager told Jungkiu, "Ningbo is one of the richest cities in China, with many young and upwardly mobile people traveling there from overseas to study. But there are not many multinational companies these people can work for. So we could easily hire some of the best people on the market."

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It was a good idea, but it entailed a lot of work. The branch employees' enthusiasm energized them to pull it off. Direct sales productivity at the Ningbo branch became the highest in the entire China network. This was not Jungkiu's idea: this was him activating people's seeking systems and then helping them try out their ideas.

As momentum grew for the new type of branch visits, employees started uploading pictures they took during the sessions to Weibo (the Chinese version of Facebook + Twitter). As an informal (and unpredicted) forum of communication, Weibo turned out to be far more effective than the more formal medium of company newsletters.

Jungkiu's approach to branch visits is another example of a wise intervention, which we learned about in chapter 3: small but potent changes, like removing the anxiety around the branch visits and replacing it with serving breakfast and talking about new ideas, led to very large-scale changes, including a culture of ownership and innovation.

In addition to increasing employees' zest and activating their seeking systems, these experiments paid off in terms of company performance. For example, customer satisfaction increased by 54 percent during the two-year period of Jungkiu's humble leadership. Complaints from customers were reduced by 29 percent during the same period. The employee attrition ratio had been the highest among all the foreign banks in China; during the same period, it was reduced to the lowest among all foreign banks in China.

As Jungkiu said, “I have found that people do not move much by KPIs and reward/penalty. These cause small changes. People move in larger ways by noble purpose, emotional connection, experimenting with new things, and leading by example.”

To put it another way, leaders should see themselves as humble servants.

Why Does Humble Leadership Work?

To prompt employees' curiosity and learning through experimentation, a leader can start with the humble purpose of serving others and being open to learning from employees. Bradley Owens, a professor at Brigham Young University, and David Hekman, a professor at University of Colorado, conducted fifty-five in-depth interviews with leaders from a wide variety of contexts. They found that when leaders express feelings of uncertainty and humility, and share their own developmental journeys, they end up encouraging a learning mindset in others.¹

Ironically, humble leadership works not by demanding perfection, but its opposite—by showing that humans are never perfect and must explore, fail, and practice in order to learn and improve. This is the phenomenon we saw with the surgeons in chapter 5, who successfully learned how to conduct less-invasive heart surgery not by demanding perfection immediately but by being open to the team's needs and focusing the team on learning and practice.

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Some leaders, as we saw initially with some of Jungkiu's colleagues, are hesitant to follow a humble leadership model. When I present Jungkiu's case to leadership teams, their intuition is that his humble actions of listening to employees and helping them experiment do not seem how "real leaders" should act, especially in Far East cultures. They find his story interesting, but then ask, "Does humility really work? When does it backfire?"

I would argue that "bureaucratic leadership," with its reliance on certainty, decisiveness, and positional power, is detrimental because it ramps up people's fear systems, shuts down positive emotions, and stifles the drive to experiment and learn. This so-called executive disease is common because power changes how leaders view other people—research shows that power causes people to see others as a means to their ends rather than as intelligent humans with ideas and emotions.² In organizational life, power can result in arrogance and self-importance, and executives too often use their power to bully and frighten employees into compliance.³

Employees' fear of powerful leaders also creates sycophants, who buffer leaders from real information. This makes leaders more and more detached from the reality of work, pain points, and customers. Unfortunately, this situation feels really good to executives themselves. As they become very comfortable, they usually set out to protect and preserve their ego and power.⁴ Trying to learn from employees—and helping employees experiment and learn with new approaches to work—is not even in their picture.

Remember the concept of learned helplessness from chapter 2—the experiment in which dogs receiving repeated electric shocks

no longer tried to escape their pain? Here's a thought: arrogance is often a form of learned helplessness. We all know that learning can only start if we are willing to acknowledge that we don't know everything. But what happens if people work in an environment where admitting they don't know everything is viewed by others as a sign of weakness, and punished? This happens a lot in banking environments, for example, where people pretend to be "masters of the universe."

What if you are a leader who is punished for acknowledging that others have better information than you? It makes you pretend to know better, when in fact you don't. In this sense, arrogance is a defense system that prevents people from having to admit they don't know. Try to put yourself in this banker's shoes: "If I admit lack of knowledge, then I am punished, so I can't learn. I am rewarded for confidently faking that I know best when I don't."

This dynamic is important because it stifles learning and innovation for people in power. Not knowing is ridiculed and punished, while acting confident (even when ignorant) is respected and rewarded. If we are repeatedly hurt for learning and listening to others' ideas, arrogance becomes a form of learned helplessness. What emerges is an arrogant culture, and learning stops. These cultures tell employees: "Supervisors don't want your new ideas or attempts to innovate." Maybe this is OK if your company doesn't need to change much and you can tell people what to do; it's disastrous if you need agility and employee innovation.

Although it is hard for us all to stay humble and not preen our egos in the face of bureaucratic power, science clearly shows

that humble, servant-oriented leadership works. A wave of well-conducted research investigations over the last ten years have demonstrated that humble, servant-oriented leadership improves performance at the individual, team, and organizational level.⁵ It's not that power in leadership is a bad thing, per se. Humans, like many other social species, look for leadership from those who do impressive things that help us or inspire us. This makes us *want* to follow them. But during the Industrial Revolution, leadership got entangled with hierarchy—leaders were assigned power that was not earned. Humble leadership is more natural, because humble leaders help other people seek their potential, and experiment toward that potential. This is a gift that makes other people want to give back, and want to follow.⁶

Here is what we know: humble leaders help people move toward their full potential, growing and trying new ideas on the job. This works partly because humble leaders model how to grow to their followers. Rather than just talking about the importance of learning and experimenting, humble leaders model how to develop—by acknowledging mistakes and limitations and being open to listening, observing, and learning-by-doing. We saw this with Jungku at Standard Chartered Bank, with Dealogic's Creative Capital experiments, and KLM's social media experiments.

When an organization needs to adapt and adjust frequently, humility allows both leaders and followers to be more receptive to new ideas, criticism, or changes in the external environment. As one leader said, "Failure finds its grace in adjustment."

Leader humility is an essential tool in the new war for talent. Employees bring more of themselves to work when their leaders

place a priority on activating their seeking systems—by providing tangible and emotional support to them as they explore new ways to improve themselves and their environments.

Delivering Creativity

Jungkiu's experiences at Standard Chartered Bank suggest that humble leadership can activate employees' seeking systems even when anxiety is high. But what about when employees have lapsed deep into learned helplessness?

Consider a UK food delivery business. Every morning, its drivers—called *roundsmen*—deliver essential groceries to customers. Early in the morning, hundreds of them load their trucks and bring milk and bread to more than 1 million customers.

Many of the drivers had worked there for fifteen to twenty years, and had long ago soured on management. As is often the case in organizations, the managers were not respectful of lower-level employees and their ideas. This is a sort of “creativity apartheid”—a class system that can emerge in organizations where white-collar employees believe themselves to be creative, while blue-collar employees are not. Over time, drivers became distrustful, shut off their seeking systems at work, and negative emotions dominated. You could hear it in the roundsmen's cynical banter about management as they loaded up their trucks in the depot before delivery runs.

As the company's profits were being pinched by big delivery companies like Ocado, the disconnect between management and

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drivers became a bigger problem. With years of a shrinking customer base and limited possibilities for growth, the only way the company could survive was through excellent customer service. However, the attitudes and behaviors of its employees were making it difficult to deliver on this possibility. They were not keen on helping managers implement organizational change, even though it could preserve their own jobs.

The company hired Duncan Wardley, a director at PwC, to help it identify the key “moments that matter” for both customers and staff—key interactions that, if done well, have a disproportionate impact. Moments that matter are perfect for the wise interventions we learned about in chapter 3.

One of the most important interactions, Wardley and his team discovered, was the weekly “Roundsmen’s Debriefs” between a depot manager and a delivery person. These meetings happened once a week and lasted for fifteen minutes, sometimes less. The drivers certainly wanted them to be less.

It’s not that the depot managers were bad people—for the most part, they were salt-of-the-earth types whose hearts were in the right place about organizational success. But they were old-school. Their methods for achieving better performance were authoritarian and paternalistic. They used dominance and anxiety to try and force better performance, and that tactic was all they knew.

These weekly Roundsmen’s Debriefs were essentially the depot managers’ way of letting the drivers know that they were watching them and were recording their errors for punishment. In these

meetings, the depot managers would literally go through a list of problems: customer complaints, missed deliveries, and the like. Some people called this “management-by-clipboard.” The drivers felt like they were being treated like naughty children. They would literally stand in front of the depot manager, who was seated at his desk, as they were grilled about a dirty uniform.

This is where the leadership mindset change was needed to ignite employees' seeking systems. Remember what we learned about humble leadership: it is based *on serving employees*. Because management is an overhead cost, managers do not create value unless they are serving the employees who create the value. In that light, it's obvious that the existing format of the Roundsman's Debrief was not a quest to learn and help solve problems. It was, at best, a parent-child conversation. In fact, to drivers it did not even feel they were part of a human interaction, but a tick-box exercise designed to catch them out. Each debrief hurt the relationship a little more, increasing the conflict between people who needed to be partners. The debriefs demoralized, belittled, and angered the very drivers whom management needed to deliver world-class service. The strategy and the execution were not joining up.

Worse, since the Roundsman's Debriefs were usually one-way conversations, the managers were preventing themselves from receiving on-the-ground feedback from drivers. For example, some of so-called “mistakes” that drivers were making were actually innovations they had created to streamline processes and still deliver everything on time. In a more collaborative

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setting, these innovations would have come to light and would have helped the company deliver better customer service. They could have been trails into the root cause of the company's delivery problems.

Wardley's dream was to transform these hated meetings into fifteen-minute conversations where the primary focus would be finding and experimenting with new ways to deliver excellent customer service. The goal was for the meetings to be well-run, two-way, problem-solving dialogues where the depot managers learned where they could help. In turn, the roundsmen would view them as positive, helpful conversations. These exchanges, in turn, could lead to positive impacts on the other "moments that matter," like a customer's initial delivery experience or finding new ways of reducing costs.

Given that negative emotions (including anger and anxiety) dominated the current culture, how could Wardley turn his dream into the roundsmen's reality?

PwC started with a small, wise intervention: take the standard fifteen-minute format for the weekly meeting and have managers start the meeting with a basic servant leadership question: "How can I help you deliver excellent service?"

PwC ran a coaching program to support depot managers in getting this right. The program focused on how to conduct such conversations, and how to identify the rich information and ideas that could be uncovered through this new style of interacting. After the new approach was introduced to the depot managers, they role-played the process with the consultants. Senior leadership also role-played to model the learning

process, and to send the message “this really, actually is important to us.”

The depot managers clearly did not think this new meeting format would change anything. And they said so. One of the depot managers told Wardley: “Listen, I will do this, but I know these drivers, and it will not work.” The new approach went against some of their most basic assumptions about how to manage and motivate the roundsmen.

To assuage their fears, PwC spent time with them, observing their conversations with delivery people, helping them to understand what they needed to do differently and coaching them through the entire discussion.

It was slow going at first. Drivers' dislike of managers was high, and trust was low. But as depot managers kept asking “How can I help you deliver excellent service?” some drivers eventually offered suggestions: “If you want clean uniforms when we deliver, don't make us wear our clean uniforms when we load up the vehicles,” one driver told his manager. In response, the manager bought coveralls that drivers could wear as they loaded the trucks. Changes like these, however small, built trust, and drivers suggested other ideas. For example, one driver suggested new products like “Gogurts” and fun string cheese that parents could get delivered early and pop into their kids' lunches before school. Another driver thought of a way to report stock shortages more quickly so that customers were not left without the groceries they ordered.

Here we see a virtuous cycle: each positive step led to another, bigger positive step. One driver's successful change activated

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three other drivers who saw that change was possible. As shown in Owens and Hekman's research on humble leadership, the leaders needed to model serving employees so that employees would serve customers.⁷ For drivers, it felt good to express and get some of their ideas in place—ideas they had locked away for many years as they shut off their seeking systems and allowed negative emotions to dominate.

As we saw with the assembly workers in the Italian white-goods facility, the drivers' seeking systems were activated because management listened to their ideas and took action, allowing zest and enthusiasm to push negative emotions into submission. According to one area manager: "The management style of the depot managers changed beyond recognition. They have developed a mutually respectful working relationship with the delivery people."

Even the most skeptical depot managers were impressed. What seemed like an incredibly small and simple change—opening the once-a-week meeting with a new question—culminated in real and important changes. When putting a wise intervention into place, it is important not to expect huge changes all at once. To overcome the learned helplessness that has built up for decades, small ideas have to be nurtured and developed. So the first few innovations and suggestions are likely to be small steps.

For the food delivery company, the ideas for improvements kept coming in. One driver came in with five pages of handwritten notes. Another driver suggested delivering Amazon and other parcels while they were on their runs. Another proposed dry-cleaning delivery services.

Humble Leadership and Employees' Seeking Systems

Leaders often do not see the true value of their charges, especially “lower-level” workers: drivers, call-center operators, mechanics, assembly people. But when leaders are humble, show respect, and ask how they can help employees do their work better, the outcomes can be outstanding. And even more important than better company results, humble leaders get to act like better human beings. They get to treat other people as they would like their own family to be treated.

Wardley and his team implemented a wise intervention. A single question. But it signaled a different leadership philosophy and led to very different conversations. This intervention shows the essence of *appreciative inquiry*, which breaks the cycle of depersonalization that shuts off employees' personal creativity.⁸ As described in chapter 3, small changes like this can have hidden leverage when they focus on an emotionally vulnerable interaction, because it changes the basic story people tell themselves. As the roundsmen got credit for their ideas and saw them put into place, they grew more willing to offer more ideas, which made the depot managers more impressed and more respectful, which increased the roundsmen's willingness to give ideas, and so on.

As the roundsmen's seeking systems kicked in, the company got so many ideas about how to delight its customers that the bigger problem became how to deal with all the ideas. In the end, PwC helped managers segment the ideas into cost and benefit. They worked on implementing the simple, easy, and cheap ones (wear aprons over the uniforms) and making others into requests for capital (deliver wider range of products).

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After a few weeks, the depot manager who had disputed the plan said, “I thought I knew these roundsmen. I’ve had to eat so much humble pie over last two weeks I’ve put on two stone [twenty-eight pounds]!” Another told Wardley, “There is a tangible difference. I simply wouldn’t have believed it if I hadn’t seen it with my own eyes.”

Often, what causes big changes to happen and to stick is not logical. It’s emotional. Wardley told me something that matched Jungkiu’s words: “Real change is not achieved by simply offering rewards or appealing to people’s reason. Instead, you have to tap into people’s emotions. This means engaging with them in a different way—engaging with their sense of meaning and their intrinsic desire for self-expression.”

An area manager summarized what a difference this made: “We really thought that we knew our delivery people inside out, but we’ve realized that there was a lot we were missing. Our weekly customer conversation meetings are now more interactive and the conversations are more honest and adult in their approach. It’s hard to put into words the changes we are seeing.”

It’s pretty common for leaders to say that people don’t like change. And many courses on leading change are dedicated to “overcoming employee resistance.” I find it helpful to think about it the opposite way: people are really *good* at change.

Compared with all the other animals, humans are the ones *doing* all the change. When you look at our species’ behavior relative to the others, we’re the change animals. This seems to be the

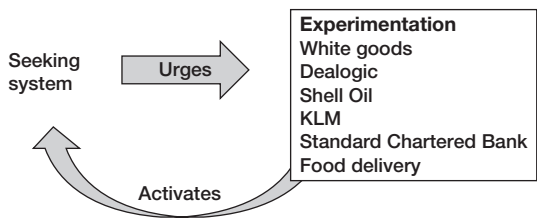
outcome when our seeking systems (which other mammals share) teams up with the prefrontal cortex (the new part of our brain that lets us simulate the future, which other mammals don't share).⁹ Put these two parts of the brains together, and humans are biologically wired for innovation and change.

For example, we're not supposed to fly. Think about the other animals that don't have wings. What do they do? That's right: they just walk around. They take what is on offer from the world, and they get on with it. That is not how the human species acts. We just don't accept what the world has on offer. Remember, the world did not foist smartphones and artificial intelligence and blockchain technology onto us. The world is not doing this to us; we are doing this to ourselves. Thinking back to the increasing pace of innovation described in chapter 2, it's clear that the human animal is built for experimentation, learning, and innovation (see figure 7-1).

Now, we just need to learn how to activate these urges of the seeking system within the frame of organizational life. In both the UK food delivery example and the Chinese banking example,

FIGURE 7-1

Experimentation activates the seeking system



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we saw how even disgruntled employees in learned helplessness mode can reactivate their seeking systems—when leaders are able to be humble, listen, and give them a chance to explore their environments and improve things. And the result is not just better products and services, it also is more enthusiasm and zest. People become alive at work.