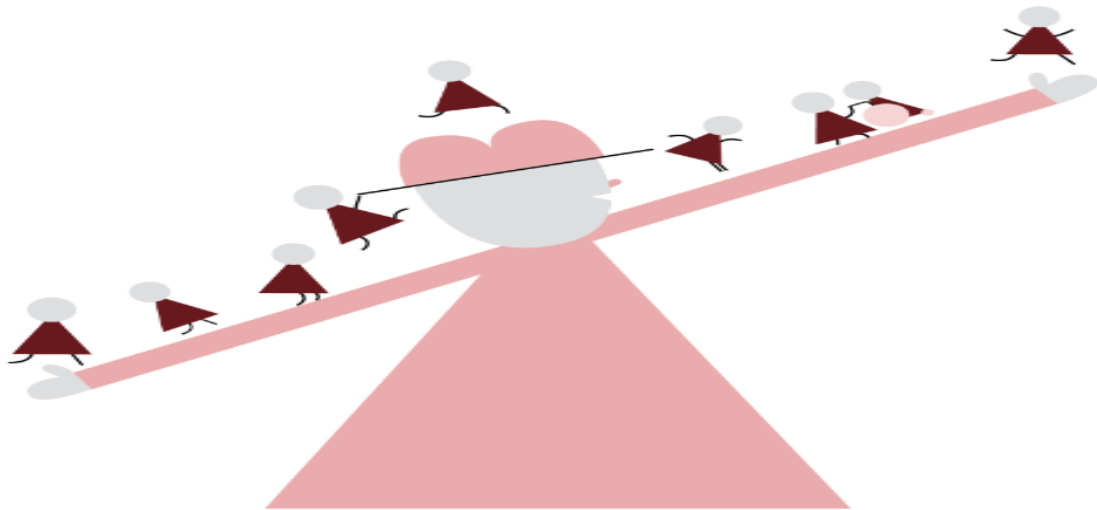


Case study: Accelerating the development of managers in a growth mind-set global retail company



We were asked to help a global retail company with a growth mind-set to recruit and develop store managers more effectively. This case study covers the work we did to help them accelerate the development of their store managers to enable their growth plans to be met. There is another case study which covers the work we did to revolutionise their recruitment approach using Growth Mind-set. The start of the two projects covered the same process to create a Success Profile so there is some overlap at the beginning of the two case studies.

Background to the company

The rate of expansion of this retail company is enormous. At the beginning of 2012, they were opening three stores a week in China alone. The company has a unique culture that has been a major element of – and possibly even the main reason *for* - their success. The store manager role is pivotal and encompasses a much wider, more empowered remit than in most retailers. Store managers in effect manage a business with profit and loss responsibility and are empowered not only to buy for their store, but also manage and develop employees within the culture, values and operating philosophy of the company.

But there was a combination of different factors that prompted a need for change. These included:

- Rapid growth across the globe.
- Exacting standards.
- A preference for helping people from within the company to rise to become store managers rather than bringing in experienced retailers.

- A business plan that required them to accelerate the number of store managers available to run new stores.

All of this put pressure on the recruitment practices and the speed at which people could be developed to take on store manager roles. The directors understood that exporting practices and people from the company's home country did not always work in countries with a different culture and work philosophy, yet the company wanted to keep the best of their very successful culture and highly effective ways of working.

We were asked to create a success profile across the international businesses to define what made the biggest difference when it came to the success of their store managers. We also created a profile for those store managers who had been assigned from the home country to international locations, to train and pass on the culture to newly established stores. These profiles told the company the approach, beliefs and behaviours typical of those who were able to translate success from one country to another, and also what was required of a local company to grow into a truly international one.

This enabled the international businesses across Asia, Europe and America to understand the mind-set and behaviours of the most successful individual store managers and we then created an approach that would help them to accelerate the development of store manager candidates so they could take up and succeed in the store manager role.

Background on the science

Stanford psychologist Carol Dweck has spent her career researching learning, and in particular exploring the mind-set for success. She describes a mind-set as someone's entire psychological world, where their outlook and attitudes are founded on their core beliefs. Her studies show that people tend to have one of two belief systems that create their mind-set about work, learning and their own abilities.

A fixed mind-set

Dweck describes people who hold a belief that talent, ability and intelligence are things that you're born with as having a fixed mind-set. It's extraordinary how much of our language surrounding ability and performance is framed by this belief: 'He's very bright', 'She's so talented', 'She's a natural leader', 'He has a gift for languages'.

People with this mind-set believe you either have it or you don't, and there are a range of behaviours which reflect this world view. The first rule of a fixed mind-set is look clever – at all times and at all costs. And if you're not going to look clever, don't do it. In the face of any setbacks, hide your mistakes and conceal your deficiencies, because the fixed mind-set pre-supposes that mistakes and deficiencies are permanent and that's going to be a black mark against you.

A growth mind-set

In contrast, people who have a growth mind-set believe that talent, abilities and intellect can be developed. Their primary rule is learn, learn and learn some more. They're the people leaning over your shoulder when the new software programme's being demonstrated, the first ones to sign up for an optional seminar, the person who went on a course as part of their last holiday.

People with a growth mind-set think things like, "It's much more important for me to have a challenge than to be rated the highest." They do care about ratings, of course, but they care even more about having an interesting, challenging role where they're going to be exploring new areas and working with interesting and varied people.

*You can learn more about Dweck's work by reading the articles on our web site or the relevant chapter in our book **Brain-savvy Business**.*

The challenge

Together we faced a number of challenges, some of which were known at the start of the project and some that emerged as the work progressed. The first was the sheer variety of the countries we were working with, and the fact that in each different country, regional managers felt they already understood the ingredients necessary for success and were reluctant to have a profile handed to them from the international head office.

The second challenge was that the client already had a profile, created by the president, for more senior roles. We needed to ensure that this was integrated into our model. The profile that the president designed was only for senior leaders but we recognised that unless there was a clear flow from the store manager profile to the senior leaders' profile, there would be a disconnect for people's career path and limited acceptance.

The third challenge concerned the politics between the head office and the international businesses. Our client was in the international business side, and although the project had been endorsed by the global head of HR, there were many other stakeholders who we did not have direct access to at all stages of the project. Helping the client balance the pace of change that these stakeholders could manage with winning acceptance of the change itself across a large number of people operating in multiple regions was no easy task.

The company culture

The founder and president of the company is a remarkable man. He has great vision and a unique style of leadership. At the time we worked with him and his colleagues on this project, they were not aware of the Carol Dweck research, but nevertheless one of the defining features of the company culture was - and is - a growth mind-set.

For example, we noticed something very encouraging during the success profile interviews. We kept meeting people who were open about their failures and how the company had given them another chance. Some had failed time after time, sometimes costing the company a great deal of money, and they weren't in low-level or less influential roles - they were some of the most successful people in the company, responsible for running regions, bringing in huge amounts of revenue and expanding fast. The company truly lived a growth mind-set and encouraged people to learn from set-backs in order to be successful.

Creating a profile for success

We made sure that we identified the secrets of success across all the different regions from South Korea, China and Hong Kong to Europe and the USA, interviewing store managers and supervisors (managers who oversee a number of stores) as well as the most senior person in each territory. Senior managers in each region were asked for a bit of background information, what success meant to them personally and what they thought were the challenges their businesses faced. We asked

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store managers about their sense of purpose and their beliefs, capabilities and work habits, and also about what kind of environment enabled them to do their best work - what policies had helped them to succeed and which had hindered them?

It's worth pointing out that in any successful business there are contradictions; this was no exception, as we discovered when collating our findings. Most case studies ignore these awkward obstacles so that the story hangs neatly together. We, however, want to share some of them because they illustrate what happens when people don't have a shared language that matches their organisation's idea of success and also how creating such a language translates directly into business results.

Contradiction: Rules versus a growth mind-set

Having formulated such success profiles many times before, we knew that it's always the beliefs and mind-set that make the difference to an individual's or an organisation's success - not the behaviour. So rather than create a competency framework with a prescription of how people should behave, we wanted to identify the characteristics and mind-set that set the most successful apart alongside examples of how these played out in different cultures.

The problem was that the company had a very detailed instruction manual that detailed every action and task a store manager should complete in order to succeed. The company believed so strongly that this manual was the secret of their success that it was only available in hard copy and everyone who had a copy had to sign for it and wasn't allowed to take it out of the store. Indeed, part of their assessment for promotion to store manager involved being able to recite rules from the manual.

At first we were rather puzzled with how this fitted the culture and beliefs we had heard from the president, which were all about the company's growth mind-set. Store managers we interviewed talked about the manual and confirmed it was invaluable but, they said, only when they were first appointed. Once they had learned the manual they knew what to do and then the best managers began the growth mind-set process of building on the advice it gave and adapting it to their store, their staff and the national culture they worked in.

When we fed this back to our senior stakeholders we got two very different reactions. Some people categorically denied that what we had found was true. Another group, which included the president and the global head of HR, saw that this *was* true and the success profile gave them the picture of how the most successful set a purpose for their role (their dream if you like) and also outlined the beliefs which helped them fulfil that purpose. Many of their beliefs and habits, as you would expect, reflected a growth mind-set, like helping new recruits learn by asking questions designed to help them think what a customer would want rather than just telling them what to do, and also encouraging people to make suggestions and try new things in the store.

The success profile we created, then gave the company a tool which they could use to spread the beliefs that guided the most successful staff in place of issuing a much clumsier, one-size-fits-all set of rigid behavioural guidelines.

Contradiction: The secrets of success

Many regional managers were initially reluctant to be interviewed. They knew their jobs and were pretty sure they knew the secrets of success for their particular region and, outwardly at least, had little interest in reading a success profile.

The regional managers and every employee interviewed received feedback on the success profile which was emerging and were also asked to give input to the final model. This process helped the most successful understand more about how they achieved success and had the added benefit of validating the final profile and convincing the regional managers there was something to learn.

As each regional profile was completed, we drew out similarities and differences across and within each area regarding the culture that helped (or hindered) managers' success. By profiling each region, business heads could discuss and understand their own profile and how it compared with the best of the best across the globe. This was another principle of mirroring a growth mind-set; the process should help people to learn more about their own success and that of others, how it was achieved and how it might be emulated. It had the added advantage of melting resistance to the whole process because everyone could see how their region had contributed to the whole.

The end result was a group profile that illuminated:

- + The factors that made the most difference to the success of store managers.
- + How the best store managers ran their store, developed their team and role-modelled the values of the company.
- + How store manager candidates could accelerate their training and skills development by adopting the same attitudes and sense of purpose as the most successful.
- + The criteria for recruiting people who would fit the culture and thrive in it. (You can read about this in the relevant case study)

Accelerating the development of store manager candidates

Hitherto, the company had set little store in off-the-job training and staff development, but we were able to use the success profile to build an evaluation and on-the-job development tool to help store manager candidates take on the store manager role. The same tool would help current store managers to take on bigger roles too, such as area manager of a group of stores or general manager of a flagship store - along with the responsibility for teams of hundreds of people.

This tool was integrated with the existing, largely task-based evaluation process. It ensured store manager candidates understood and excelled at the tasks required but at the same time developed the mind-set and attitudes that drove success. Task-based elements weren't, in our view, strictly necessary but since they were familiar, we included them to give any sceptics time to see how the tool worked in practice. This worked better than setting out to contradict deeply held beliefs directly.

Even in a growth mind-set culture there will always be pockets of fixed mind-set. Either individuals feel safer holding onto established policies or processes or they hold strong beliefs about a fundamental element of the company's success. And when it comes to cultures that hold a growth mind-set, examples of successful attitudes and behaviours melt resistance more quickly and more easily than logical arguments.

Alongside the behavioural elements, we ensured that definitions of certain beliefs and outcomes were clear and that examples of good and poor practice were given to help people see the difference between behaviour and beliefs. For example, we incorporated one of the success factors we'd found in the design of the tool itself. Rather than managers telling their team members what to do or how to do it, the most successful store managers used an approach and a set of beliefs they called 'teach thinking'. These store managers asked powerful questions to get their team members asking why and how they should carry out a given task. Questions like, 'How will the customer feel

when they see such-and-such?', 'What would you like a colleague to do for you that maybe you could do for them?', 'What would you do if you had such-and-such an issue?'

This teach thinking technique not only passed on the standards required in the store, but it did it in such a way that employees learned the beliefs associated with success by having the insight for themselves. We know from neuroscientific research that with insight comes the motivation to act, and it also changes the structure of the brain permanently so that a person is much more likely to act that way again.

The results

We had a number of goals and measures of success when we started the project, some quantitative and some qualitative. One of the qualitative goals was getting the success profile and tools accepted across the international regions. We had verbal agreement from everyone including the president of the company that the profile reflected the route to success, but this wasn't going to be enough to make it stick. People had to find their own reasons for adopting it.

One of the ways we guided their thinking was by producing sample tools and making them available for stakeholders to experiment with in their own business area. When, even against managers' expectations, the in-store development tool was adopted in the home country then we knew we'd achieved a major success. This sent a clear message to the other regions that the profile and tools were sound and that the senior stakeholders believed in their value.

Accelerating promotions

Our other target area was, as we've said, to accelerate the number of people who reached the standard to become a store manager. Again, in the first year of using the evaluation and development tools we saw 28.6% of candidates promoted within one year and 57% within 18 months. This compared to zero percent of the previous cohort after one year and numbers in single figures for the 18-month threshold.

In summary

Defining and sharing the success profile across different regions gave people a say in what makes a difference. This helped gain buy-in to the process and ensured important universal values were included as well as regional differences. We were careful to use the client's own language and, because the examples came from within the company, people quickly identified with and adopted the model for hiring and talent identification. We also found, as one might expect, that making the tools as simple as possible meant that there was greater up-take and application in the business.

You can never do enough in terms of demonstrating how the tools will work and giving examples of them prior to tailoring them to the client company. Allowing stakeholders to discover for themselves what the tools and changes could achieve, as well as the benefits that could accrue, was critical and proved to be much more important than logical arguments, cold stats or cost savings. The overwhelming learning was that we should always be looking for ways to manage the CORE threats and to create imaginative CORE rewards. (for more information on CORE go to the video and articles on the web site)

At the end of the project the client told us, *“Integrating the success profile has meant we have created a continuous model of success from entry to Director level in the company. We can use this to accelerate development, hiring and promotion.”*

We started this project under a former brand name but completed it as Head Heart + Brain