

**Bellwether: noun;**

*A wether, or other male sheep, that leads the flock, usually bearing a bell; a person or thing that assumes the leadership at the forefront, as of a profession or industry; a person or thing that shows the existence or direction of a trend .*

*(All quotes listed are by Dr. Lance Secretan unless otherwise noted.)*

## Chapter 7 – From Salary Grades to Added-Value Compensation

- “The origins of many of today’s management practices, ...can be traced back to the early work of Frederick Winslow Taylor, Frank and Lillian Gilbreth, Henry R. Towne, and Henry L. Gantt, the latter working for the Army Bureau of Ordinance. In fact, the military eagerly embraced the theories of these early management scientists because they provided tools with which to rank the readiness of personnel for assignment and promotion, and because they fitted seamlessly into the military’s authoritarian management style.”
- “We use salary grades because we believe they save organizational time, they value different positions in the organization appropriately, they have the potential to enhance the reputational value of the organization and retain talent. Pay grades are also used to provide anonymity for individuals—a person’s pay grade (range) can be revealed without revealing the actual salary. Most of this is illusory and is more than offset by the criticisms...”
- **Transparency**
  - “The underlying reason why employees are distrustful and unhappy with pay is that they often feel that compensation is shrouded in mystery, arbitrariness, and opaqueness. ...when they learn that the average CEO earns 271 times as much as they do, making the equivalent of the average employee’s annual income by noon on New Year’s day, resentment can breed.”
- **Added-Value Compensation**
  - “There is a relatively straightforward answer to this dilemma: trust employees, assume that they share the organization’s objectives, reveal the inner mathematics of the finances, and show them how they can influence and participate in the rewards enjoyed by the entire organization.”
  - “...everyone’s work and their contribution to the organization requires a level of openness, transparency, collaboration and teamwork, and the removal of silos, individual-based incentives, salary bands, and the like.”
  - “At the deepest level—and perhaps this is the most difficult cultural change to achieve—it requires that we end any sense of entitlement, selfishness, or greed.”
- **Gainsharing**
  - “Gainsharing is an organizational system for sharing the benefits of cost reductions, productivity, and quality improvements and distributing part of the proceeds in the form of bonuses.”
  - “There are two ways in which employees can contribute to the success of an organization: 1. The amount and source of the organization’s revenues 2. Reducing costs...”
- **Added-Value Compensation Plans**
  - “The first step in creating an added-value compensation program is to change the culture so that everyone is aware that these twin opportunities are available to everyone. The next step is to explain the mathematics of the organization.”
  - “My experience has also taught me to engage everyone directly with their own learning styles. Where some individuals may be very comfortable with numbers and ratios, others may prefer graphics, videos, or metaphors. It’s important to understand the learning styles of those with whom we are communicating and then adapt the way the information is presented to fit their different styles.”
  - “...the corporate culture is shifting from a hierarchical or bureaucratic style to an entrepreneurial one. By paying a fair wage that does not seek to be at the top of the market, the company shifts a little of the risk from the organization to the employee. If the company doesn’t do well, the employee will share in the poor fortunes while still receiving a fair level of compensation. Conversely, if the company does well, employees will be able to participate in its good fortune...”



- "...these meetings provide an opportunity to celebrate the participation, collaboration, contribution, teamwork, and organizational performance of everyone—a key path to achieving a sense of corporate oneness."
- "Moving to an added-value compensation approach is a cultural and leadership shift more than a financial or compensation decision, and one that should be consciously chosen."
- "Patty McCord, former Chief Talent Officer at Netflix, offers this advice: "Here's a simple test: If your company has a performance bonus plan, go up to a random employee and ask, 'Do you know specifically what you should be doing right now to increase your bonus?' If he or she can't answer, the HR team isn't making things as clear as they need to be."

## Chapter 8 – From Mission Statements to One Dream

- "We are inspired by the dreams of transformational movements; the disadvantaged who dream of, and achieve, greatness; great democracies; cities and states; our families; our marriages; liminal art; and masterful sports—and, of course, great organizations. A dream is the unique characteristic shared by people and successful teams who undertake great endeavors and attain extraordinary achievements, whether they start revolutions, overthrow despots, found nations, create a new movement, climb mountains, launch startups, reinvent organizations, make breakthroughs, or change the world of ideas, beliefs, knowledge, or discoveries."
- "Over the last 50 years in corporate life, we have expanded our capacity to quantify, measure, and analyze, but we have stifled our capacity to dream."
- "...there are so many things that can't be measured, like a symphony or a sonnet, great art or theater, inspiring landscapes, a nurturing friendship, a heartbreak, falling in love or making love (it is strongly advised not to use a spreadsheet to measure the metrics or quality of love-making!)."
- "There are many business experiences that are similarly difficult to measure—on the negative side: fear and intimidation, lack of authority, feelings of impotence, being lost in a bureaucracy, the emotional impact of receiving a poor performance review, stress, and overwork;<sup>53</sup> and on the positive side: pride in the company we work for, emotional connection to colleagues and customers, commitment to the team, love for a leader, the joy derived from a job well done, meaning and fulfillment at work, making a difference or a contribution to the world, nourishment of the soul at work."
- "...the futility of mission statements creates dissonance. ...we fall back on the traditional mission, vision, and values statements, and yet, these seem so stale and barren when compared to the inspiring power of a dream."
- "One of the weaknesses about mission statements is that they are so often about me. ...Disappointing though this may be for some leaders to hear, customers and employees are not always interested in you—they are far more interested in knowing how you will serve, make a difference, and make the world a better place—not how you are going to become bigger and richer and increase shareholders' wealth."
- "A mission statement may be about you, but a dream is about others and how you will serve them. ...We are in a new era in which people want something more inspiring than a mission statement—something that gathers the energy of an organization into a compelling, exciting, and energizing description of a future desired state, and this does not fit easily under the heading of "mission, vision, and values.""
- "Dreams... transcend differences, disagreements, and petty arguments and engage us in a higher purpose, uniting us as one. ...That is the power of dreams—the power to change the world."
- **The Truth below the Conscious Mind**
  - "Conventional research methodology collects and assesses data that is infused with subjective input from respondents because it is obtained from the conscious mind. ...will always draw from the conscious mind of the respondent, complete with all its biases and opinions."
  - "The Structural Mapping Process® (SMP) is a unique process that bypasses the filters of the conscious mind and therefore reveals insights from a deeper level of awareness."
  - "'Arrow's Paradox'—the mathematical proof that aggregating individual preferences (i.e., traditional polling, market, and employee surveys and focus groups) cannot lead to an accurate assessment of collective preference."



- “A dream lifts the conversation above the day-to-day agendas so that a dialogue can take place at a higher level and true alignment can happen more naturally.”
- **The Meme**
  - “If there is a repeating cycle of ideas—or what we call a “meme”—then there is “permission” for the idea. A meme is a self-replicating and self-perpetuating sequence of ideas.<sup>59</sup> Solutions for how to realize an organizational dream, retain employees, and achieve exceptional customer satisfaction stem directly from revealing and analyzing the belief structure and uncovering the memes that exist about an organization among core constituents, stake-holders, and communities.”
- **Permission Space**
  - “Permission space is defined as “the strength and direction of the energy that will be freely offered by all core constituents to help achieve a dream.””
  - “To navigate white water, we can 1) attempt the futile—try to fight or overwhelm the energy, or 2) ignore it, discarding the evidence, or 3) we can harness and ride it—flowing and riding with the energy. Riding the energy requires less effort and engages the powerful forces that are moving in the direction in which we wish to travel anyway.”
  - “Though an organization may embark on a strategy, say a Lean Six Sigma initiative, and it may be well designed and implemented by the best experts in the world—its success will be limited if it does not “read, recognize, and ride” the white water of the “permission space.””
  - “Structural Mapping Process: a breakthrough system that identifies the real passions of constituents in relation to a proposed decision or aspirational strategy. The system “reads” the energy of the white water of an organization’s core constituents and enables us to harness it and ride it...”
- **The ONE Dream® Process**
  - “The core philosophy behind the One Dream® process is to find a true understanding of “human aspirations”—a key imperative in developing a meaningful and effective blueprint for change. The process is designed to uncover:
    - A deep and certain understanding of the needs of an organization, the marketplace, and the community
    - A deep and certain understanding of the core essence of an organization, marketplace, or community
    - The activities, lines of business, or strategies that should be discontinued because there is no “permission space” for them
    - What can be leveraged to achieve a desired outcome, or dream
    - A plan for how the organization will need to adapt in order to realize and then sustain the dream
    - Successful and sustainable implementation...”
- **Creating the ONE Dream®**
  - “I’ve discovered two things about corporate dreams: firstly, for a dream to be successful, organizations should expect that their capacity, energy, and resources will be allocated this way: 10 percent for identifying the dream, 20 percent for realizing the dream, and 70 percent for sustaining the dream.”
  - “We arrive at ONE Dream® by
    - creating the permission space map
    - identifying the dream
    - clarifying all of the functional actions and moving parts that the organization must change, accelerate, or terminate in order to realize the ONE Dream®
    - creating a summary of every necessary action to realize the ONE Dream® Plan
    - creating a digital dashboard that monitors progress, in real time, on all of the necessary actions steps that are contained in the ONE Dream® Plan, thus enabling leaders to monitor daily progress toward the ONE Dream®
    - celebrating the milestones as they are achieved...”
  - “Mission statements are usually created by committees who strive to please all participants and impress the world, but no great pioneer in history would have settled for the mediocrity of most mission statements.”
  - “We don’t need expensive and convoluted market research and complex theories for this. It’s pretty straightforward. When we reveal what’s possible, even if never attained before, and identify it as a dream that we hold dear and seek to realize, and then make the commitment to align the entire team or organization behind everything necessary to achieve that dream—the dream becomes possible.”