

Speaker: **Margaret Heffernan – Entrepreneur, Chief Executive and Author**

Start time: **00:07**

End time: **18:22**

## CONTENT

0:07

Thank you - it's a pleasure to be here as a human being for a change instead of just a speaker. An evolutionary biologist at Purdue University named William Muir studied chickens. He was particularly interested as I think we all are in productivity. But the great thing about chickens is its really easy to measure productivity, you just studied the eggs and count them. So, he was interested in what could make people, or what could make the chickens more productive. So he designed a really beautiful experiment.

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First, because chickens live in groups he just chose a pretty average flock - and he just left it alone for six generations to do what chickens do. But then he created another flock you might call it a super flock where he went around, he identified the individually most productive chickens, and he put them into their own flock and each generation he selected against the individually most productive chickens.

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Then when the experiment was done, he went and compared both flocks. The first average flock was doing really well, plump fully feathered, egg production had increased dramatically. The second flock, all but three were dead. They killed the rest. And the conclusion Muir drew - was that the individually most productive had achieved their success by suppressing the productivity of the rest. Now I've gone around the world telling this story and I look into people's eyes and I see a flicker of recognition. People have come up to me and they've said - that's my company. That's my department. That's my country. That's my life.

2:12

All my life I've been told that the way to get ahead, to have a great life, to have a great career - is to compete. Compete to get into the best school, to get into the right company to get the right job, to get to the top. And to be honest I've never really found it very inspiring. I've started and run software businesses I've started and run media projects because I simply love what I do, because invention is a joy and because working alongside brilliant creative people is its own reward. But I've never really been very interested in super chickens or super flocks or pecking orders or superstars. But for the last 50 years in an epic misunderstanding of Darwin, we've run many organisations and some societies on the basis of Muir's experiment. We've assumed that leaders were the individually most exceptional people, the heroic soloists, the smartest guys and occasional gal in the room. And the results have been exactly the same. As Muir's experiment. Dysfunction, aggression and waste.

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If the only way the individually most productive people can succeed, is by suppressing the productivity of the people around them, then we badly need to find a different way to work and a richer way to live. So if competition and individual excellence isn't how you get maximum productivity from people, what is? Well that was a question that a team at MIT asked. And they conducted a real interesting experiment with human beings. They brought hundreds of people, they tested their IQ, they put them into groups and they gave them high order design problems to solve. And they found exactly you would expect which is of course some groups were much much more successful than other ones.

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But what was really interesting is that the really successful groups were not the one that had one or two people in them, with towering high IQ's, and neither were they the groups that had the highest aggregate IQ. Instead the high achieving teams shared three characteristics; the first was they manifested high degrees of social sensitivity to each other. Now this is measured by something a reading the mind in the eye test. Which is broadly considered a test for empathy. And the teams that had people that scored highly on this did better. Secondly the teams that did really well - gave everybody roughly equal time. Now this wasn't formal, but when they reviewed the tapes of all the deliberations and discussions, that's what they discovered - there were no passengers and neither did anyone dominate, everybody contributed fully.

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And thirdly the high achieving groups had more women in them. Now this is kind of interesting - this is kind of interesting, I know some of these researchers, I'm sure it wasn't quite what they were looking for..... But, they don't know quite what it means because typically women score more highly on the reading the mind in the eye test, so maybe that it was a doubling on the empathy quotient or it may just be there were wider perspectives in the groups. But what's really important about this is that IQ individual intelligence didn't make a difference, but personal connectedness did. So what is this mean outside the lab in the real world? Well it mean that what happens between people really matters. In the CIA, at Belle Labs, in banking retail and pharma - what all the research shows is that what characterises high achieving teams is helpfulness.

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That the bonds of social sensitivity, mutual support, loyalty and trust make a gigantic difference. An example; Arup is one of the world's most successful engineering companies. And they were commissioned to build the equestrian centre for the Beijing Olympics. The building had to receive 2,500 highly strung rather neurotic race horses, staggering off of long haul flights, jet lagged and feeling let's just say not their finest. The question the engineer struggled with was, what quantity of waste to cater for. Now this is not what they teach you at engineering school, and it's definitely not something you want to get wrong. So he could of spent months talking to vets doing lots of interviews, tweaking his spreadsheet and then kind of praying he got it right. Instead he asked for help and he solved the problem in a day.

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When he found the friend of a friend who had worked on the Jockey Club in New York. Arup thinks that the culture of helpfulness is fundamental to their decades of success. Now helpfulness sounds really anaemic. Until you read the research which shows that it routinely out performs individual intelligence. Helpfulness is why the firm SAP thinks they can answer any question in 17 minutes - but there's is not a single high tech company I work with today that believes this is a technology problem. What drives helpfulness is people knowing each other and caring about each other. And that sounds so obvious that we thinks it's just going to happen. But it doesn't.

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When I was running my first software business in Boston in the United States - I hired lots of fantastically brilliant engineers, fantastic CV's, incredible track records, but we got stuck and I didn't why. And gradually I realised that these brilliant people were all totally focussed on their work. They didn't even know who they were sitting next to. And it was only really when we stopped working and we spent time, invested time, getting to know one another that we got real momentum. Now that was 20 years ago. And today I'm visiting companies that have banned coffee cups on desks because the specifically want people to hang out around the coffee machine to talk to each other.

9:31

The Swedes even have a special word for this - they call it Feka, which means more than a coffee break it means collective restoration. There's a company in Maine in the United States called IDEX where they've covered their campus with vegetable gardens on which the employees work, it's not a vegetable company - it's a high tech biopharma company. Because they want reasons for people to get to know people that they don't automatically work with. They think it makes the company smarter.

10:03

So some people look at this and they think - have they all gone mad. But they have what they've done is they've cottoned onto the fact that when you really hit difficulty and you always will hit difficulty if you're doing any kind of breakthrough project that matters, you will hit a moment when people struggle and are lost and confused and need help and need to know who to ask for help and need social support. Companies don't have ideas. Only people do. And logos and mission statements don't motivate anybody. What motivates people are the bonds and loyalty that they develop between each other. It's the mortar not just the bricks that counts. When you put all this together, what you get is social capital.

11:02

The bonds of dependency, resilience, interdependency and reliability that makes communities resilient. The term derives from the sociologists who study communities and identify why was it that some communities some towns and villages were much more resilient in times of crisis. Social capital is what makes organisation creative. And social capital is what makes them resilient. No what does that mean in real terms? It means that time is everything. Because social capital compounds with time. So for example teams that work together longer, get better. Changing teams in and out all the time is disruptive, it takes time to build trust and you need trust in order to be able to say safely what you think and to be willing to risk conflict. It also means that time together really matters.

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At MIT Alex Pentlen suggested to one company that they just synchronise their coffee breaks so that people would have time together. What did he find, it increased profit by 10 million pounds and employee engagement by 10%. Now, this is not about chumminess and it is no charter for slackers. People who work this way are often scratchy, impatient, determined to think for themselves because that is their contribution. Conflict is frequent because candour is safe. And that's how good ideas turn into great ideas. Because no idea is form it is born fully formed. Instead it's a bit like a baby, it comes out kind of messy, and confused, and needing the generous contribution, support and challenge from other people. And that's what social capital supports.

13:23

Now this isn't the way we're used to thinking about talent and creativity. We're used to thinking about stars. So I started to wonder if we really care about working this way, does that mean there is be no more stars. So I went to the royal academy of dramatic art, and I sat in on auditions and what I saw there really interested me. Because the teachers there were not looking for individual pyrotechnics, they were looking for what happened between the students. Because that's where all the drama is. And then I talked to the producers of bestselling albums, and they said oh sure the industry is littered with superstars, they just don't last every long. It's a fantastic collaborators who have the great careers - because bringing out the best in other people is how they find the best in themselves. And when I visited firms renowned for their ingenuity and creativity - I couldn't even see the stars because everybody in those organisations mattered - and they knew that they mattered. And when I reflected back on my own career, I thought how lucky I'd been to have such phenomenal people to work with.

14:43

And actually how much more we might get still from each other. If we all stopped trying to be super chickens. Now, once you appreciate how profoundly social work is, it changes everything. Management by talent contest which is the way most organisation are still being run has to go. Forced ranking - has to go. We have to provide an environment in which social capital is allowed - is encouraged to grow. Motivating people by money has to go to, there's a vast literature now of research which shows that money focus on money, specifically erodes the connections between people, The more you think about money, the less you think about each other. We have to accept that what motivates people is each other. And we have to change fundamentally our notion of leaders and what leadership looks like. Get rid of the notion of the superman, the superwomen, the heroic soloist and recognise that true leaders are those who create the conditions in which individuals can do their most courageous thinking together. We know that this works.

16:15

When the Montreal protocol called for the elimination of CFC'S - the chlorofluorocarbons implicated in the hole in the ozone layer, the risks were immense. There were CFC's everywhere, it was a billion dollar business. And nobody knew if a substitute could be found. But one team that took up this challenge adopted three really interesting principles. Frank Maslin the head of engineering said there will be no stars on this team, we need everybody. Everybody has a valid perspective. Secondly he said, we work to only one standard - the best imaginable. And thirdly, he told his boss Geoff Tughope that he had to butt out. He knew both men knew how disruptive power can be. Now this didn't mean that Tughope did nothing, he sat in on meetings to ensure that the team honoured its own principles of participation and he gave the team the air cover they needed. And it worked. Two years ahead of every other company in the world - this team cracked the problem. And to date - the Montreal protocol is the single most successful international environmental piece of legislation ever implemented.

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There was a lot at stake then, and there's a lot at stake now. And we won't solve the problems that we face by waiting for individual superman or superwomen, now we need everybody. Because it is only when we recognise that everybody has talent that human creativity comes from the bonds between people, then and only then will we liberate the energy, the imagination and the momentum we need to build the best beyond measure.

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Thank you

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