

Transcript of the Unbossing Podcast with
Michele Zanini, co-author Humanocracy



THE
UNBOSSING
PODCAST

Transcript Info

This is the transcript of the Hifluence unbossing podcast with [Michele Zanini](#) (MZ), co-author of the book [Humanocracy](#) with [Gary Hamel](#) (see earlier podcast & transcript), hosted by Nick Van Langendonck (NVL) and Thomas Hubbuch (TH) from Hifluence (www.hifluence.eu).

Parts of the spoken text have been edited to facilitate the reading of this document. Become inspired and inspire others with it!

The podcast can also be listened to on [spotify](#)

Do CEOs really get it?

THH & NVL: About the book Humanocracy, we have read it, like many other people and our question to you is the following: We had the podcast with Gary Hamel and he says that most of the CEOs that he meets these days get it! Something must happen to them, as they cannot go on with the Taylorist model like they used to. I have to be honest; I don't buy it.

In my experience in talking to former colleagues and clients is that only a small percentage of them really gets it. We would be very interested in hearing your opinion about it and where do you feel that the pressure is coming, for CEOs to make the giant leap they have to make in terms of perspective and thought process on organization and work?

MZ: I agree with Gary in the sense that CEOs understand that the current model isn't working, they see that their organizations are not able to intercept the future, they are not as fast as they need to be.

Earlier this month, I saw this announcement that Walmart has created Walmart+, which is its response to Amazon Prime. In the US, Walmart is a giant retail chain, like e.g. Metro in Europe, but then really the largest chain in the world. For \$100 a year you can get things delivered to you fast, and maybe get cheaper gas at their gas stations and so on. People are celebrating this, great that Walmart is doing this. Amazon was already doing this in 2005. It took Walmart 15 years to get to this point. Better late than never, I suppose.

This is just one example of how slow these companies are. I think CEOs do understand they have to move faster. If you look at all these surveys from BCG, McKinsey, etc. CEOs are saying they need to be much more innovative.

We just need to move, we just have to create new things, new ideas, and put them into action, because that's the only way we can survive.

I do think they get it at the purely conceptual level and that the current system does not work anymore. What maybe a lot of them have not internalized fully is the implication of what you need to do to get to those capabilities.

They say, our system doesn't work, we are too sclerotic, we are too top down, etc., and we need to change it. Then they want to get to the other side of the chasm, without understanding that it is like a ton of work and that it does create a completely different setup for power relations within the firm.

It is like saying, I want to lose weight because I am overweight, and people can kind of agree to that conceptually, but then when you tell them, well, this is going to take you a year, you will have to work out every day for 45 minutes, you have to eat better, etc.

When we work with some CEOs that get it at the conceptual level and we get going with them, then the rubber meets the road at some point. They really do need to make a structural shift and then it is a much harder conversation. There is a way to get people there and there are ways to create a lot of pressure so that they cannot just say anymore, well, I am going to lose weight tomorrow. Gary's claim that CEOs get it can be nuanced in this way. There is a felt need, but the understanding of what it will take is maybe not there for a lot of people yet.

It takes time, but first results can show quickly!

THH: This is also very much our experience from what we call Leadership Intake, which is the first thing we do with CEOs.

NVL: This aligns very much with what you are saying about the process and how to approach it. We do not start our unbossing journeys unless two conditions are met. The first one is to the leader him/herself, before you start transforming your organization, are you willing to transform yourself? If we feel that the yes is not authentic and expressed without much drive, we do not start. Secondly, are you willing to sign a contract that you are OK with that, and that this will take at least five years.

Because often they ask us, okay, let's start, I have been CEO for two years and I will probably be here for three to four years, so I have to complete this transformation in less than a year. OK, then you can maybe hire a big strategic consultancy firm and maybe they can do it for you and it becomes a full financial restructuring, disguised as a Humanocracy project. This is not what we are talking about here. For us, we start with a full leadership intake to really make the personal profile of the leader clear. How far does a leader want to go? What is his/her no-go zone? What is he/she afraid of? What are these fears and insecurities, and where do they come from?

It is in that process that you really sense whether there is real potential to succeed, or whether he/she, somewhere down the road, will block it and will be his own biggest nemesis?

Revolutionary in goals, but evolutionary in action

THH: That is the point where we would also say, no to a CEO. Michele, we are also very interested in your opinion of where and how to start. Assume a company comes to you and says, I have read the book, I am in, so please make me agile?

MZ: First coming back to your earlier point of the time it takes. It is a long journey and it is important to realize that. You can cut and paste another model and that is the easy answer. The more palatable answer, that maybe a CEO wants to hear, that in six months you can become like Spotify. Yeah, sure, it would be great to do that.

Organizations are complex systems, and you cannot engineer a complex system very well, you cannot rapidly change a complex system without a lot of unintended consequences.

It is like invading a country and saying, we are going to bring democracy. You can create things on the surface like a new constitution, you can create a new judiciary system and so on. But then, the fact that it is completely untethered from the reality of people and how they live in the culture which has developed over time and was always in a kind of balance, maybe it was suboptimal, but nonetheless it was in balance. It is kind of a similar situation in our organizations, why would you expect to achieve anything different? It is why most change programs kind of fail. There are lots of ways, lots of entry points into change in the organization, not all of them have to come from the CEO. We are in fact very big proponents of creating a kind of a grassroots movement that can really get going and put pressure from below. If you ask me to answer the question of, OK a CEO wants to do this, what would you tell him/her? I would say, first, what is the motivation behind your

question? Like, why do you want to change and how deep is your conviction? Are you prepared for something that will take a long time? And are you prepared to essentially syndicate the work of finding the answer?

It is not going to be you as CEO, a chief transformation officer and a consultant figuring out how this works, but you are basically engaging the entire population of employees, and perhaps even stakeholders in a robust problem-solving process to re-invent the future of the organization. This is the way we talk about that in the book, and we really are big believers that this process needs to be open, to everyone, all voices, it needs to be very radical in its aspiration, we do not fundamentally want to unboss, or want to be much more resilient or innovative, but it is kind of experimental in its way of getting there.

You are basically engaging the entire population of employees, and perhaps even stakeholders in a robust problem-solving process to re-invent the future of the organization.

You can be revolutionary in goals, but evolutionary in method of where you really are trying to focus on ways of getting started in this journey, and then layering on ambition.

It has to be grassroots, but structured in a way, it has to be experimental, but the experiments need to lead to something, it cannot just be a bunch of little things you're trying. That is failure mode number one!

We just try a few little things here and there, and it sounds interesting, but how do you then take this to the entire organization? It really needs to be driven by the community, who will have lots of insights, and then have the commitment to drive the change through and it needs to be unique. I worked at McKinsey for a lot of years and the thing that drives me crazy (I will be nuanced about it) is that CEOs totally get the fact that they need to develop unique business models, to differentiate, but when it comes to the management model, I am going to take someone else's. Tell me how these guys or these other companies have done it. You will find you can learn from other companies, you can take other practices as inspiration, but they may not work for you

How will copying the management model of others give you that competitive edge?

Even more important is to have a differentiating organizational model, because that is probably even harder to replicate than your management model. Which is why we think

that when you change we think you need to have experiments that are proposed by people in your organization, that then scale, that is the way to do it.

This process may sound like a little laborious and time consuming, but it is only through that process that you will end up with a fit for purpose management model, right for you and that people buy into it, because they were not told about how to do it, they designed it themselves.

There is one more thing I would make very clear to them:

This may take five years, but you know what, you can get big gains in the next 6 to 12 months.

It is not as if you need to sign up for something that has uncertain impact and where you will only figure out whether you have impact or not when you retire as a CEO. You can have a ton of impact, and it is important to realize that it is a step-by-step process.

The unbossing paradox

THH: What you are saying is, if you do not have either a regulated monopoly or a product, which is 10 years ahead of the competition, and where you can make the profits now, then you have to have some other kind of differentiator. Why can your organizational model not be that differentiator, especially if you are, e.g. in the commoditized industry where products like raw materials are not cutting it!

The next thing with the grassroots movement. Would your approach rather be on the leadership level, or would your approach rather be to stand at the entrance of the company, watching the employees coming out and say, hey guys, do you want to go on like this forever? Or do we want to make a revolution here?

MZ: I would say that it is a little bit of both.

NVL: This is exactly the paradox that I experience as well in our daily unbossing work. In essence, it is a change that can only succeed when it is step by step, when it is bottom up. It has to start on the front line, that is the best place to start and then it builds up one step after another.

But it is often best that it starts with a decision from the top management that they will no longer make all the decisions. So, it is necessary to often start with a leader because he has to make that decision as to where he/she wants to go from the moment that he/she

has taken that decision. From then onwards there are no more top-down decisions. That paradox and how to balance it and when, that is a field where I do not have the answer.

MZ: It is hard to be highly prescriptive about it, but I think you are absolutely right. When we help companies do this, we try to operate at those levels.

Most of the attention really should be on how you generate a coalition for change, that becomes really difficult to ignore.

On the other hand, how do you work from the top down, because even if the CEO says, I want to do this, then often we find out that the team below the CEO, that might just nod saying, that was great stuff, and then turn around and really do not do anything to support it. The question is also about how to work with them as well and get them to embrace it.

Gary (Hamel), when he talked to you, talked about the detoxing for bureaucrats, it is just like having your personal detoxing journey, because:

Bureaucracy makes assholes of us all. It is important to ask the question of when you have been an asshole, a bureaucrat and how to change that? How do I hold myself accountable?

How do I create accountability with my team, so that they can call me out? You have to work at it at both levels. The other thing you need to do is not just catalyze this coalition, but also to:

Get people to come up with ideas that can then scale quickly.

I like history in general, and one of the things we did as part of the book is research all the kinds of movements around humanizing work since the 30s and even before with Mary Parker Follett and so on. There is whole period in the 50s and 60s, where people spearheaded around sensitivity training, T-groups, which were events, where you had two weeklong workshops and off sites that managers would go to and it is amazing to think today that you could go off for two weeks and do a management development course, but at the time, they used to do that.

They made you understand how much of a jerk you were and deprogrammed and reprogrammed you to be a better human being. These were completely transformative events, people would break down and cry, and when they came back, many people just quit their job because people could not go back to that environment anymore.

Tens of thousands of managers went through this. Six months later, because nothing else around them changed, it reverted back to being what they were before.

You have to kind of work at the level of individual mindsets, but at the same time, move quickly to changing structures and processes so that they reinforce those mindsets.

Often those things are done separate from each other; there is the group of people that changes the mindsets and there is the group of people that does the design work. They do not work together and that is why it does not stick and why it is so hard.

Agile done in a good way, can have amazing impact

THH: I fully agree with you Michele that they went back and their surroundings within the company did not change so they revert back to the old style. But do we also agree that in those days markets and products did not change with the pace of today?

MZ: That is true, it is even harder today, I suppose. If you read what people were writing in the 60s, they were not talking about the fact that we are on the cusp of a new management model, because we needed to have a very productive society to fight communism and the threat of the Soviet Union.

So, it is almost like an existential priority, we need to be with organizations that are much more capable, because we are in a state of a life-or-death struggle against communism (the Vietnam war was raging) and people were fed up with authoritarian leadership styles and abusive bosses and so on.

There is this general sense that with civil rights, society was becoming more progressive. As the fight is becoming more progressive, so should our organizations. The marketplace maybe was not as ruthless as it is today, there was this real sense that we needed to change, reboot our organizations and that we are seeing today as well. It is helpful to go back in time and see we have seen this movie before and that they in a way were probably more ambitious with their experiments than we are today.

Today, the pinnacle of management of innovation is agile and agile has a lot of amazingly thoughtful principles.

If you do agile in a good way, you can actually get a lot of amazing impact.

There is nothing wrong with agile by any stretch. The way it is implemented today, is as if people are so lazy, saying 'I am just going to try to do this'.

As a result, people start talking about fake agile, or agile in name only. All these different terms just means we are not so serious about it.

THH: It is like, 'my HR director told me I have to do this agile stuff now'. We cannot hire the profiles we want so we have to show on our website at least one or two agile projects.

MZ: It is definitely more of a pressing need now, and we need to recognize that, and I think it is helpful to just go back and say, we have done this before, how do we make sure that it is different this time?

It is about changing our mindsets for sure, and it is about changing organizations, and it is about changing the ecosystem around it. I am so glad to hear you guys are working with the Antwerp Management School, because part of the problem is about how people are formed and how their expectations about management organization gets set at the level of education.

Learn from these 3 mistakes

THH: Now, I am the CEO of this global company. I have read your book because I am buying into your religion, I really do. What is the biggest single mistake I can make now?

MZ: There are several mistakes you can make. Let me give you the top three.

Mistake number one. Sit in a room with your top team and maybe an external consultant, kind of figure out what you want, what this is going to change, copying some of the models, we lay out in the book and then come down from Mount Sinai with the tablets and tell the organization, here is how it is going to work.

That is the number one. There are a couple mistakes there. One is the conceit that you can figure it out and then the fact that you are borrowing other people's practices, as opposed to coming up with your own. That would be number one and probably the biggest one you could make.

The second mistake might be, I am just asking a couple of people that are very progressive in my organization, to try it in their own department, and they will figure it out. Let's then see where that goes. Again, that might be interesting for a while. Or maybe just say, I am going to create self-managing teams in this business unit, or in this function, or whatever, and then let's see where that goes, that might not be a bad place to start necessarily. But

often those efforts, if they are not part of a broader umbrella, and they are not caged in a kind of aspiration that involves everyone in the company, and where there is serious commitment from everyone to change, they will run into a wall, within six months or a year. They will just do what they can do. They will make some progress, and then boom! you know, they cannot move any further and it will die. Maybe the person who hosted that experiment leaves and the new person comes in and says, what is this nonsense? We are just going to get rid of it.

Number three is to kind of expect that you will have the whole package figured out within a year. We talked a little bit about it earlier. So, you can definitely see some significant gains in productivity and wellbeing and engagement in six months for sure, maybe even sooner, but you have to take the long view, and think of this as a real transformation that takes time.

So those would be my top three, and I guess the implication for the CEO and their role is that you need to think of the CEO as a social architect.

As CEO you are creating the environment for the organization to find its path, and its model. You need to be supportive, you need to make sure the environment is working with that grain as opposed to against that grain. Then you need to step back and see how things evolve.

THH: Michele, I love your hit parade and fully agree on the number one. I also fully agree on the separate entity of the old 'let's do agile over there', going to a loft, getting on some hoodies guys and taking some photos we want to put on Twitter. We could talk for hours on our experiences with clients where we had to avoid exactly that. So very inspiring!

How to make more progress and bigger impact

NVL: Normally we round it up with one final question, but maybe this time Michele, do you have a question for us?

MZ: I can maybe flip it around indeed, in your experience, how can we make more progress in spreading the word and having impact? What is the right vector for that? I guess we are all in each other's shoes in a way. Where should we invest? Is it changing? Is it changing 1 company at a time? Is it equipping people to be internal activists? Is it working with business schools to rethink the curriculum? Where would you go? What would be your advice? I would really love to hear that.

NVL: Well, for me, it's very clear, it's creating a movement similar to the climate change movements, and a movement that puts it on the agenda in such a way that it cannot be ignored anymore.

The thing is, more than for climate change, there is so much data that shows the pain and the suffering in organizations today that it's like an oil field, and it just needs a match to be fired up. The main problem is not that people are not feeling the pain. Driving the change from there would be like you said the grass root.

I think the main problem is that companies do not have enough knowledge about what the alternative is of the model that we have been applying for the past 100 years.

The entire movement should be focused not on the why, but on the how! There is a paradox, because on the one hand, all the questions that you get and that we get from leaders are about what tools to use. What are the models that other companies use?

What we then say is that it should be your unique story that you have to build, finding those ingredients of the unique story! It is like you describe it in your book, you try to describe something, and you try to shape it in principles and rules. But behind the words, there is a feeling, and if you have the feeling in your gut and in your heart, you don't need any tools.

Can investors be unbossed too?

MZ: What is interesting is that you also work with a private equity firm where you are focusing on selecting companies that practice these things, because in fact such companies are more productive.

The investors that invest in some of these companies do get it. This notion that investors are myopic/short-sighted, and the reason why companies are not innovative is because the investors are just driving them hard for quarterly results, maybe true to some extent, but they do get it!

I talked to the CEO of Nucor, who is the most profitable steel maker in the US with 26,000 people and a publicly quoted company. It is a super cyclical environment; but they have never laid off anybody because they totally get it. When, with the amount of knowledge, expertise and trust that is in the company, you start laying people off, it will all be gone.

The only year they did not make a profit was 2008. They could have made a profit had they just laid off a few people. But they talked to the investors and said, look, we cannot do this, and the investors said, absolutely and you should not.

The notion that investors are a bunch of idiots and that they treat people like tools, is certainly not always the case.

If you treat people as the main engine of productivity, then investors will not be stupid. They will say, do not get rid of them.

If we could get more investors to put pressure along those lines, I think that could be really interesting.

If investors saw that this is like a vehicle for competitive advantage, then this might become a different game.

Private equity is not just about cost cutting, although there definitely are costs that you can take out. If you look at the SG&A (selling, general and administrative expenses) margin of all these companies that we profiled in the book, are like half or less than that of their competitors, they just have fewer administrators and fewer managers. When that work is syndicated across the entire organization, you can manage with a lot less managers and that may be the real news to a lot of people.

There are a lot of living examples of that. You make a very good point about the fact that you also want companies to embrace this for a super pragmatic reason. If you think about the whole movement around re-engineering in the 90s. It ended up a little bit like how agile is getting hijacked today. People started using it as a pretext to cut costs without doing the hard work of re-engineering. It had a lot of play in the corporate suites, because people saw it as a way to gain advantage. Maybe we need to work on both of those dimensions, both the movement as well as the dollars.

NVL: The Pebble Wave fund we are talking about (Private Equity) is working alongside the Humanocracy principles. The results are not focused on the business side only. It is especially focused on the human side. It is about creating, working and living in this context. The money comes and goes; it is material, and it is also temporary. But what we see in Hifluence, and other Pebble Wave companies is a new type of organization where work is changing people, the impact of that change on an individual level does not limit to the organization alone. People become different people to their partners, they become more honest to their friends, they inspire their children, etc. That is the true impact of what we are doing. You know, maybe we will only take those companies from 3 to 4 in terms of

material organizations. In terms of inspiring next generations to go forward, that is where the real impact is!

Building people & achieving broad impact!

MZ: I want to share one quote that really moved me when I was interviewing people at Nucor when the maintenance manager said, you know,

We don't build steel, we build people, and then people, build families and families build communities.

That is a very interesting quote. The real meaning of this is that what we are doing here has this broader impact that just goes beyond what we can do inside the walls of our companies. I don't even know what their corporate social responsibility is, they probably don't have one. They don't have a corporate responsibility chief, but they are probably doing more to build communities than some of the other companies that have fancy titles and go to Davos and talk about how they are going to save humanity. I think you are absolutely right; the societal impact is huge and seriously under-appreciated.

THH: This is truly an inspirational story, and I loved every second of our conversation. Humanocracy is a missionary work, and we love it that you are also inspired by what we do at Hifluence.

MZ: It was a real pleasure. I am a big fan of what you guys are doing and I am delighted that you showed interest in our thinking and our work.

Something I would like to leave you with is this course Gary Hamel and I developed to start hacking organizations: <https://www.humanocracy.com/course/welcome>. We have spent quite some time developing it and anyone who will get the book Humanocracy, will have direct access to it. It is 4 hours of video content and a bunch of tools and interviews.

The whole point is to empower people, to equip and inspire people, to light the fire or manage innovation in their organization. We did not build it for the CEO, we built it for people who are fed-up with the bullshit and want to change things! This will help them get started! We truly hope that this could be a resource for people that really want to get stuff to happen because you cannot wait for HR, the CIO, the CEO or whomever. People can take matters into their own hands and start making a difference.

influence is giving back!

At Hifluence, we have the great pleasure of supporting many leaders on their journey to unbossing themselves and their companies. With our in depth research and inspired by thought leaders across the globe (many of which you hear in our podcasts), we are at the forefront of advising companies to unboss (<https://thetealteam.com/full-teal-ahead>)

We have a vast amount of knowledge on how these journeys develop, increase the productivity and profitability of organizations, create unstoppable innovation, unleash the unique talents of companies and become magnets for young people.

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This podcast is brought to you by Hifluence and is part of a series of unbossing podcasts.

[Hifluence](#) is a [pioneer](#) in unbossing organisations worldwide. It is our mission to inspire, guide and support leaders in shaping human-centred organisations. We focus on those who believe in customer obsession and the infinite potential of engaged employees, but do not know yet how to approach such a journey, where to start or how to scale.

He has a big interest in history as some of his books show! Do have a look on Amazon.

About our podcast guest:

[Michele Zanini](#) is co-author of the book [Humanocracy](#) together with Gary Hamel and is the cofounder of the Management Lab, where he helps large organizations become more adaptable, innovative and engaging places to work. Zanini is an alumnus of McKinsey & Company and the RAND Corporation, and holds degrees from the John F. Kennedy School of Government at Harvard University and the Frederick S. Pardee RAND Graduate School.

About our podcast hosts:

[Nick Van Langendonck](#) is a force of nature when it comes to inspiring and motivating leaders, teams and organizations. the founder of [Hifluence](#), a consultancy firm specialized in unbossing organizations and liberating potential. He is also co-founder of Pebble, an incubator and investor for unbossed SME's. He is also a guest lecturer at the University of Antwerp and Antwerp Management School. (nick.vanlangendonck@hifluence.eu)

[Thomas Hubbuch](#) looks back at a successful career of 14 years as CEO of Sucre Tirlemont, Thomas achieved outstanding performance together with his team of 1000 people: development of an international sales success with Belgian sugar specialities and the creation of the world's most technically advanced bio-ethanol refinery. Sucre Tirelemont was voted Belgian's company with the best reputation! Liberating the full potential of his teams was the major ingredient of all these successes. This made Thomas a dedicated Unbossing, joining the Influence movement as a partner with all his mind and heart! (thomas.hubbuch@hifluence.eu)

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