

Just over two years ago, I wrote an article entitled **The Functionally Fluent Organisation**. It was published on the Functional Fluency website – see <http://bit.ly/1OV0gEn>

In the article, I argued that, after decades of talk, there was at last some solid evidence about the key ingredients of effective management. As a result, awareness was growing that, in order for organisations to be successful in the modern world, management practices and behaviours needed to change. I suggested that this momentum for change could well mean that Functional Fluency was an idea whose time had come.

I highlighted the fact that over thirty studies in the UK and the USA had established an identifiable link between effective people management and organisational success. In simple terms, they demonstrated that, if managed well, people will perform more effectively and this will flow through into better results.

Furthermore, the studies succeeded in pinning down what good people management looked like. They said that it involved giving people three things, namely:

- **Freedom to act** – opportunities for discretionary behaviour both within the job and as a corporate citizen
- **Incentive to deliver** in the form of rewards, whether they be in the form of recognition, social or financial rewards
- **Skills, experience and knowledge** needed to do a successful job

I pointed out that the **Functional Fluency** approach for enhancing effective leadership fits amazingly well with what these studies concluded – see Figure 1 below.

Negative control in action <b>DOMINATING MODE</b>	Negative care in action <b>MARSHMALLOWING MODE</b>
Positive control in action <b>STRUCTURING MODE</b>	Positive care in action <b>NURTURING MODE</b>
Taking account of the present situation <b>ACCOUNTING MODE</b>	
Positive socialised self expression <b>COOPERATIVE MODE</b>	Positive natural self expression <b>SPONTANEOUS MODE</b>
Negative socialised self expression <b>COMPLIANT/ RESISTANT MODE</b>	Negative natural self expression <b>IMMATURE MODE</b>

Figure 1 – The Functional Fluency Model

The Functional Fluency model describes the positive and negative ways in which leaders can use their authority and power, exercising the social responsibility inherent in their leadership roles. It highlights

situations of Control that all managers and leaders face daily and distinguishes between the positive **Structuring** behaviours such as being authoritative, firm and fair and the negative **Dominating** behaviours that involve blaming and fault finding.

The model also looks at the Care aspect of leadership – the responsibility that leaders have for enabling their employees to grow. It describes the over-protective approach (called **Marshmallowing** in the model) that stems from a belief that subordinates are in some way inadequate. This results in an unwillingness to let go the reins, the “If I want something done well, I have to do it myself” approach that stifles growth. By contrast, a **Nurturing** style that is responsive, empathic and understanding creates opportunities for growth. Put the **Structuring** and **Nurturing** ways of leading and using authority together and the results fit almost exactly into the pattern of effective people management identified in the research. The underlying attitudes of “You can do it” and “You are valuable” mean that employees are given the freedom to act. They have the incentive of knowing that their good work will be recognised and praised. And they will be encouraged to learn and grow so that they develop the skills, experience and knowledge to perform well.

The rest of the Functional Fluency model reinforces other positive leadership behaviours. As I pointed out, we should surely look for our leaders and managers to be strong in **Accounting** mode behaviours – good at assessing reality and foreseeing likely consequences. The **Cooperative** mode characteristics are about relating appropriately to others in a manner that invites collaboration. Use of **Spontaneous** mode enhances this by helping a manager to tap into their own unique creativity and ability to “be their own person” as a leader.

The second point of my article was that, maybe in response to the global recession and to some high profile cases of senior management failure, there were signs of a sea change in what those actively involved in management were thinking and doing. It was no longer just the academics like Gary Hamel who were speaking out. Hamel, nominated by the *Wall Street Journal* as the world's most influential business thinker, described management as the least value adding element in any organisation. He declared that “we need to make organisations as human as the people who work for them.” I pointed out that those actually running major organisations were beginning to say the same thing. Even the British Army's Director General for Personnel listed future key leadership qualities as including empathy, self-awareness and humility.

The third part of my argument was that the evidence was mounting that, as Hamel said, the traditional concept of management was a “busted flush.” I highlighted survey after survey pointing to the inadequacies of current management practices and behaviours. As an example, participants in the 2012 **Quality of Life** survey identified that in their organisations, the three most common management styles were bureaucratic, reactive and authoritarian. Those surveyed recognised that these styles reduced employee engagement and job satisfaction and led to reduced productivity and declining business results.

In the two years that have passed since I wrote that article, several things have happened. There has certainly been a further upsurge in the amount of literature on the subject of leadership. Hardly a week goes by without a one expert or another expounding on the topic. But has there been a revolution in the workplace itself?

The truth is that what we are actually seeing is more like the later stages of a hundred years war. This workplace struggle started with the Scientific Management theories of Frederick Taylor that held sway in the early years of the 20<sup>th</sup> century. Taylor regarded employees as cogs in a wheel. He identified that, given mundane tasks to complete, workers would often mangle or do the minimum necessary to get by. So it was important, in his view, to break tasks down to their component parts. Managers could then micro-manage, maintaining the incessant coercion needed to ensure that workers had no opportunity to think for themselves about how (and how fast) they worked. Thus, Taylor believed, their productivity would be maximised.

The management thinkers and theories that I mentioned in my original article were, along with many others, part of that long war, moving the argument slowly away from Taylor's punitive methods and towards a more

enlightened approach to managing and motivating people. **Frederick Herzberg**, for example, identified those factors that motivate workers and introduced the concept of job enrichment. **Abraham Maslow** developed his hierarchy of needs model as a way of explaining and enhancing human motivation. **Douglas McGregor** identified two contrasting models of workplace motivation. He suggested that Theory X, an authoritarian style, was ineffective, whereas Theory Y, a participative approach, produced better performance and results, and allowed people to grow and develop. **Peter Drucker** introduced the idea that managers should delegate tasks in order to empower employees.

It seems always to have been the case that, in the world of leadership and management, practice has lagged behind theory. Back in the sixties, Herzberg, Maslow et al were all the rage in the business schools. In many workplaces, however, autocratic management prevailed almost as a matter of course; and there were plenty of examples of what might be termed the Kray school of management. Veteran journalist Tom Mangold recently told how, when given access back in the 1960s to the notorious Ronnie and Reggie Kray, he noted that Ronnie was brusque and dismissive of those working for him. He asked Ronnie the reason that he treated his underlings so badly. "He tapped his nose with his finger, winked at me through those cruel National Health glasses and said: 'Keep 'em dahn, Tom, keep 'em dahn.' "

Even back then, most managers were probably not quite at the Kray brothers' end of the spectrum of behaviour. But the point is that the prevailing management style was a long way from the ideals put forward by the management thinkers of the time.

And so we come back to today. Most of the current talk about management and leadership is a natural follow-on from the writings of Herzberg, Maslow, McGregor and Drucker. For example, at the beginning of 2015, entrepreneur James Caan brought together a range of organisations including McDonald's, the CBI and Barclay's to launch a campaign to improve people-related skills in the workplace. The campaign was backed up by research that showed that these skills add £88 billion to the UK economy each year. In March 2015, Jeremy Darroch, the Chief Executive of Sky plc, brought his voice to the discussion, stating that he regarded the ability to express empathy as the single most important skill for those at the top of organisations.

The James Caan initiative sits well alongside the CMI Management 2020 Report. Based on interviews with MPs, CEOs and academics, this study found that when interviewees were asked to pick the one thing most important to boosting productivity, all pointed towards managers with better soft skills.

Professor Cary Cooper is another important voice. In 2014 he was voted as the HR Most Influential UK Thinker and, at the end of 2015, was appointed as President of the Chartered Institute of Personnel and Development (CIPD). He has emphasised the same message, that it is important that managers create a wellbeing environment where people love coming to work - "a culture that manages people by praise and reward and not by fault finding; that provides individuals throughout the organisation with autonomy over their jobs; where 'trust', not a competitive environment, is part of the DNA of the organisation."

Once again, however, we are back in the realm of talk rather than action. It is still the case that there is often a significant gap between the theory and the practice of management and leadership. Management theories are all very well but at the end of the day, what happens in the workplace comes down to individual flawed human beings, often under pressure, behaving in ways that best represent their instincts and beliefs as they seek to further their own careers. Stanford University's Jeffrey Pfeffer points out that many behaviours that can enable people to achieve power do not produce either excellent results or great places to work. He pulls no punches when describing these behaviours - narcissistic, self-aggrandising, lacking in authenticity or sensitivity to others' needs. As a consequence, many leaders who, from the outside, are much admired are in charge of "truly toxic workplaces" where "so many people are in abusive, bullying, stressful work environments."

Is Professor Pfeffer right? Certainly, the evidence remains short that, overall, managerial behaviour is improving. Professor Cary Cooper (again) points out that research he has carried out since 2007 involving 10,000 managers shows that against a whole range of measures, managerial effectiveness scores have

actually worsened.

So is it a totally gloomy picture? Was I wrong two years ago in saying that the time was right for the emergence of the functionally fluent organisation? Fortunately, alongside all the talk, there are some signs that actual behaviours are changing. Businesswoman and writer Margaret Heffernan recently pointed out in a BBC Radio Four programme that organisations as diverse as Microsoft, the British Army and the Royal Academy of Dramatic Art (RADA) have moved away from the command and control style of leadership to a more collaborative and distributed approach to power in which everyone has a role in developing ideas and making changes. So there is at least some scope for optimism.

Another key strand to this discussion that has only fully emerged in the last two years concerns productivity. In a strange way, this takes us back to Frederick Taylor and his theories of how to get workers to produce more. There is a concern, not only in the UK but much more widely, about the need to improve low levels of productivity. Bank of England Governor Mark Carney spelt it out: UK productivity “has been worse than we expected ... for the last several years.”

There is a great debate about the reasons for this shortfall and a whole other set of discussions concerning how to address it. Whilst no-one is seriously suggesting that in order to improve productivity, we should re-adopt Taylorism, there is a bewildering range of potential solutions being advocated. But most serious thinkers see that some of the best answers involve investment in equipment and in research and development plus improved levels of employee education and training. More important and at the core of the debate, it is increasingly being identified that the biggest factor that is within employers' control is the need for managers to develop more people-related skills in order to engage their staff so that they and their organisations can reap the benefits of improved commitment, trust and engagement.

It could be that the very obvious importance of improving productivity will be the factor that will take us fully from talk into action. It may tip the balance towards organisations focusing on the need to be more functionally fluent and for leaders and managers to live out those behaviours that not only produce better results, including higher productivity but also create employees who are engaged, motivated and (dare I say it) happy.

All of us who are spreading the word about Functional Fluency should keep our eyes focused on the evidence of what is actually happening in workforces in the UK and across the world. We know that we have a model that is fully researched and validated and that highlights effective leadership behaviours. The credibility of Functional Fluency was reaffirmed in 2014 when Dr Susannah Temple, its creator, received the prestigious Eric Berne Memorial Award from the International Transactional Analysis Association in recognition of the importance and validity of her work.

We know also that the Functional Fluency approach to enhancing effective leadership has the advantage of being clear and easy to understand. So we must surely have more than just a watching brief. We must actively involve ourselves by finding and following up on opportunities to engage with individuals and organisations. Maybe, just maybe, with our help, the forces of coercion will finally give way to those of collaboration, co-operation and a more devolved – and functionally fluent - approach to leadership.

*(Note – Terry Wright would like to thank Dr Susannah Temple for her helpful comments that have informed the writing of this article)*