



The National Bank New Zealand Business Confidence Survey reports that New Zealand businesses are feeling cautiously optimistic. There are monthly fluctuations of course but on the whole New Zealanders seem to believe that a general improvement in the business environment is taking place.

This increased confidence is a signal, with any luck, that the global financial crisis is coming to a conclusion, at least as far as we're concerned. As companies feel more confident they will invest and employ more staff. Perhaps tentatively at first and then, if all goes well, they will seek out new team members to pursue the opportunities that economic recoveries present. This has a stimulating effect on the labour market as skilled people become more highly sought after.

And as this increased labour market buoyancy becomes evident, those that are fortunate enough to be considered 'highly skilled' begin to reflect, naturally enough, on where their loyalties lie.

Because the last year or two has seen some bad behaviour.

Some organisations have faced financial peril and have had to adopt an uncharacteristic level of managerial ruthlessness in order to survive. Some organisations have acted beyond any sense of financial peril and have used the threat of doom as an excuse to engage in a little profitable 'cost-cutting'.

Some skilled individuals - you know who you are - are feeling very dissatisfied at how they have been treated over the last year or two, and are looking for the first available opportunity to jump ship. Some have seen the employer that they trusted and were loyal to respond to difficult times with threats, big sticks and dictatorial management.

Yet in corner offices all over the country exasperated senior managers and business owners are throwing up their hands and declaring "we were facing the edge - what were we supposed to do?"

Yet the question is not what must be done in tough times, but how should it be done.

And the company that grapples with this question grapples with one of the key issues in producing consistent and successful design outcomes.

But let's take a step back here for a moment.

Management thinker Douglas McGregor postulated that managers tend to view workers through the lens of either Theory X or Theory Y.

Theory X views people as essentially unmotivated and negative towards work. They must be controlled and threatened in order to achieve positive outcomes, and will essentially value security and direction above all else. Managers who follow this view, knowingly or not, value a 'tough' approach and tend towards micro-management.

Theory Y says that work is part of who we are, and that people naturally seek out a more 'higher order' motivation in work. People will seek out responsibility and opportunities for creativity and will, if satisfied in their work, demonstrate consistent commitment to the aims of the organisation. Managers who follow this view tend to value trust, and

encourage creativity and innovation in team members.

So what has this got to do with economic recovery or design? Everything!

Theory X and Theory Y are descriptive of underlying assumptions about people that all leaders and managers possess. Most won't be at one extreme or another, but a tendency will probably exist, and is evidenced by action.

In tight business conditions (or in challenging design processes) Theory Y ('trusting') managers will act on the assumption that solutions lie in a collaborative process. They will tend to lay problems and challenges in front of team members in the belief that all will do their best to solve the problem in the best interests of the organisation. Acting in this way, a manager can, even in difficult, uncertain times, actually increase loyalty and engagement as the team rallies together to face a challenge.

Conversely, Theory X ('tough') leaders will tend to declare 'martial law', suspending usual rights and responsibilities because of the 'urgency' of the situation, whether it be challenging financial times or an important design task. They may reveal the problems being faced, but will also proclaim the solutions and strategies that must be followed in order to solve the problems. There will be 'no time' for collaboration because 'the stakes are too high'. Some may find security in this (and most will at least understand it) but those that are used to, and motivated by, the responsibility and creativity involved in solving problems will become more and more disengaged, and less and less productive.

And it's these weary - and skilled - souls that are right now perusing the classifieds over their morning latte. Some have been screwed over by unscrupulous bosses. Some are just sick of being in dysfunctional design teams.

Design, like business, is very personal.

We must understand that people do not put their emotions and feelings on hold when they enter the workplace. A person that feels they don't have a say in their own destiny - especially when they're highly skilled - will feel demotivated and disengaged.

Likewise, design requires a high level of empathy with a company's vision and its customers. A key design team member (who could be an accountant, manager, engineer, 'traditional designer' or any number of people) who is treated along the lines of Theory X (tough management) is unlikely to be able to rise above this easily and care deeply about the company's customers.

Human beings just don't operate like that.

Ever had service from a shop assistant with a bullying manager? It probably wasn't a pleasant experience. People who are treated as if they can't be trusted with the vision of the company, tend to lower their behaviour to be in alignment with that belief. Conversely, those that are treated as trustees of the company's vision will tend to rise to the responsibility.

Two of the key principles of design are user-focus and exploration. The former means that design must be geared towards the end 'user' of the designed product or service. The latter means that good design comes from the creative wanderings around the non-obvious possibilities.

User-focus requires design team members to work hard to understand the end user - their goals and lifestyle, their experiences and frustrations. Exploration means a design team member must delve deep into their creative side to discover new possibilities and ideas

that may deliver value to both the company and the consumer.

Do you think either of these is going to work well in an organisation where people are not trusted? Or, for that matter, where core values are abandoned for expediency? Or where ethics are shelved for opportunism? Or where high profits are pursued at the cost of people's wellbeing?

Not likely.

In his recent book 'How the Might Fall and Why Some Companies Never Give In' Jim Collins suggests that abandoning core values is a pretty reliable sign of impending demise. It is also sure to detach many skilled and intelligent design team members from their intrinsic motivations and decrease the likelihood of great design outcomes.

So what's the alternative?

Understand that design is a team activity, and that the team has to be fully engaged in the activity. If the design team does not operate as a 'meritocracy of equals' where design decisions are based on an agreed set of criteria, rather than the relative authority of the participants, then the outcome will tend to be poor, or at least inconsistent.

But the big question is: do people really even have core values any more?

As social pressure rejects 'absolutism' and embraces 'relativism' the virtues of flexibility and adaptability are extolled at every turn. Rather than holding to a rigid set of values about how people should be treated (regardless of economic times) many leaders and managers will instead read the situation and make expedient decisions based almost exclusively on the variables before them.

Lifelong values, the building blocks of character, are all too often absent. The leader does not lead by values, because their foundations do not reach that deep. Nothing is held to be so significant and important at a human level as to be preferred at the expense of opportunity or profit.

Where this phenomenon of the 'shallow leader' occurs; where people cannot really know where they stand and how they will be led until each new situation arises, consistently successful design outcomes are highly unlikely. Teams become fragmented, disengaged and weary. People stop caring about the end user, because they themselves do not feel secure and cared for.

So if you want to see positive design outcomes in your organisation, start thinking of the design team as human beings with human needs and aspirations. Provide a values-based environment in which people know where they stand and how they are viewed. Help design-team members to express their innate creative desire to advance the organisation's vision and meet the needs of the organisation's customers.

It is this kind of environment where greatness begins to manifest itself.

