

Champions for Social Good Podcast

Modern Leadership & Social Change: A Discussion with John Gerzema of BAV Consulting

Jamie: Hello, and welcome to The Champions for Social Good Podcast, the podcast for people dedicated to social impact. I'm Jamie Serino, Director of Marketing with the MicroEdge Division of Blackbaud. I'm here today with John Gerzema, Chairman & CEO of BAV Consulting, and an internationally recognized theorist on consumerism, and its impact on growth, innovation, and strategy. As a consultant to corporate leaders, John is a pioneer in the use of data to identify social change and help companies anticipate and adapt to new customer interests and demands. John is also a TED Talk speaker, an author of several best-selling books, including his most recent, 'The Athena Doctrine' which explores the rise of feminine values on leadership, policy, and innovation. Welcome, John.

John: Hey, Jamie. How are ya?

Jamie: Good, good. Thanks for being on the show.

John: My pleasure.

Jamie: Why don't you start off just telling us a little about yourself?

John: Yeah, my focus is really on understanding how leaders are managing with values in today's society. And this is a big trend, I guess maybe we could get into it in a few minutes, but specifically, my background is looking at data, leadership, and trying to pull those together to understand how society is changing, how that might impact how businesses and leaders need to react.

Jamie: So with that work, can you tell us about some of the trends that you've seen recently?

John: Sure. One of the really big trends that we're seeing right now is this phenomenon we call "Soft Power," and this came out of some work that we did earlier this year where we presented at the World Economic Forum. And we gathered research with 16,000 people from around the world, elites, business people, and even consumers, and we actually asked them to rank countries on the basis of their perceptions. And you might be familiar with best colleges from US News and World Report. So they asked us best countries, like let's do a study. And so it was really interesting for us 'cause we worked with Wharton to develop a model, and what was so interesting was that the traditional definitions of power, the banks and tanks, which is the scale of a country, the size of its assets, how powerful it was, was less important to people around the world than whether or not they were seen as innovative, whether they're focused on culture and values for their people, meaning, providing a safe and decent society. And then really interesting for us is whether or not they were strong global citizens. Canada was right at the top along with Germany in terms of some of the countries that were the highest on this sort of what we called a "Soft Power Metric".

Jamie: Okay, can you tell us a little bit about some of the things that Canada does or Germany does that you think made those citizens vote that way or provide that information?

John: Yeah, definitely. We're going back into the field, Jamie, in another week's time for the 2017 report. But at the time when we gathered the data late last fall, Germany rose to the top on the basis of people believing that Chancellor Merkel was actively involved in leadership. She was wrestling with a lot of issues, right? Greece and the European Union, immigration, and at the same time, you had the Trudeau effect of Justin Trudeau sort of taking off as in welcoming in refugees at the airport rather than building walls. And so what was

interesting for us is we just started to see that these sort of more softer, more feminine aspects of nations were something that people seemed to glom onto in value.

Jamie: I think that's very interesting, and so how would you position that against something like Brexit, or something like the rising notion of people wanting maybe more protectionism or isolationism?

John: Yeah, and I think what's interesting about today's times is looking in short-term and versus long-term. And I think we'll probably look back in hindsight with Brexit, and some of these other aspects as more short-term, nationalist, perhaps even xenophobic reactions to very real concerns that people have. There's no question that people around the world or in many countries, even developed nations, feel disaffected and feel detached from their leadership. I guess for us what we thought was so interesting in the Soft-Power Movement was, people underneath the angst and the anxiety, and the frustration, and the aggression, and the knee-jerk reactions were actually pulling back and trying to say, "You know what? We actually really value these leaders because they are taking a more longer term view of how they think about change." And that was definitely something we saw too in our book 'The Athena Doctrine.'

Jamie: Right. Well, that's a good segue. Can you tell me a little bit more about that book?

John: Yeah, sure. So what we did is we... Michael D'Antonio is my co-author and he's a Pulitzer Prize winning writer, really interesting researcher and writer. And he and I got together and we started writing a book that we thought was gonna be called "What People Want" and we began writing this book right after... Somewhere around two or three years after the Global Financial Crisis and the beginnings of a lot of this angst and anxiety that we've seen sort of spill over to today. And what we started to see in what people said they wanted out of leaders and out of businesses and corporations were things like empathy, and trust, and collaboration. A lot of these words kept coming up over and over again. And it occurred to us that they felt feminine, these words. So these were two middle aged guys looking at these words trying to understand what they meant.

[chuckle]

John: And myself being a researcher, we got together and started thinking if there was a diagnostic test that we could do. We gathered a massive dataset. We interviewed 64,000 people...

Jamie: Wow!

John: Across 18 countries, and we did a really simple exercise. We split the sample in half and we asked half the sample to gender 250 human traits. And the other half of the sample we asked what are the most important traits and qualities for modern leaders, but in that group there was no discussion of gender. And so, it was modeling and for us it was fascinating to see that the most important things that were highly correlated with modern 21st century leadership, with things that also people, both men and women thought were more feminine.

Jamie: And the people that you polled, were they all from around the world?

John: They were. It was a nationally representative sample of countries that we specifically picked for diversity in terms of economic development, culture, religion. So we've got data in this sample from Indonesia, from France, from Germany, from China, from Mexico, the US, really broad base of countries. And what was so interesting to us is the things that they thought that were most important and urgent were these traits like empathy, collaboration, flexibility, selflessness. And for us, it was really interesting, the most least correlated to ideal modern leaders were aggression, pride, ego, and control.

Jamie: That's encouraging.

John: Yeah, yeah. Especially when we wake up this morning, right?

[laughter]

Jamie: Yeah so for the listener, we're recording this the day after election day. So the giant elephant in the room, I guess, as we talk about something like this is what are your general thoughts on the election as I'll try to make it a little more narrow there as it relates to your research and your book, 'The Athena Doctrine,' etcetera?

John: Yeah. Clearly, I think what we saw in our data over several years has definitely contributed to the results that we saw last night which is regardless of your political ideology, people do feel detached, they're questioning leadership. And we see that, Jamie, in our data. Trust in institutions and in brands and companies has declined by 50%, so it's a global financial crisis. So a lot of the messaging that President-elect Trump offers was very much resonating with a lot of people in our country and perhaps even around the world. So I think what's really important to think about is that oftentimes we've seen this in our research with leadership, and others have as well, is that the skills and qualities that you need to get to the top are not necessarily the same ones you need to stay at the top.

Jamie: Yeah, that's a really good point.

John: And I think that's where it's gonna get very interesting to look at whether or not some of these more essential what we would describe as modern Athena skills are going to be part of the arsenal in healing the nation and getting past this really divisive election.

Jamie: Yeah, that's a good point and even some people alluded to that notion in Trump's initial speech even minutes after winning. So I wanna return to something you said about filling a gap. And I had been reading and hearing about people saying that corporations are being looked to there, as well as being an entity that could fill a gap where perhaps governments are not doing that for citizens. So could you talk a little bit about that?

John: Yeah, totally. Maybe I'll go back to our research for 'The Athena Doctrine' and start in Bhutan. So we went to the tiny Himalayan Kingdom of Bhutan and we met with the Gross National Happiness Commissioner.

Jamie: Okay.

[chuckle]

John: And what was phenomenal to us other than I think having to take three to four connecting flights to get there...

Jamie: Which reduced your happiness level.

[laughter]

John: The happiness definitely dropped, no doubt. But we weren't probably the first to get there, but we were so amazed by how the country's thinking about GDP. Which is basically they've opened the aperture on it and they've said GDP is not just cash and not just economic development, it's really about how you measure decisions against broader quality of life metrics; education, the environment, etcetera. And I think it's so fascinating 'cause I do think, to your point about filling a gap, they are getting such a platform and they've been written about because I think people instinctively feel something's missing.

Jamie: Right.

John: And I think that's bringing it back to business gets really interesting because in our data we see some pretty interesting things about, for example, millennials which are now the largest part of the workforce. In our data, 72% of millennials would work for less money at a company whose culture and values they admire.

Jamie: Right.

John: At the same time, our data and data from Edelman and others show that upwards of nearly 80% of people want CEOs to be more involved discussing social policy decisions. They want them to get involved because they don't think governments can solve the problems alone. So it's interesting, right? Because you've got business driving 72% of... Consumers rather, driving 72% of GDP. They're kind of saying, "Alright, you guys are like the engine of the world anyway. Why don't you get more involved in helping us fix the world?" Don't you think?

Jamie: Yeah. And well, we're hearing that message from the UN as well, 'cause we participated in some impact 2030 discussions and some discussions around the sustainable development goals. And time and time again they keep saying we need to reach out to the private sector to help get this done. So I think even a body like the UN is realizing the role that corporations need to play and the private sector needs to play. So you do actually talk about the co-existence of purpose and profit there. So can you expand on that, and talk a little bit about that to how a corporation or a company can embrace that?

John: Yeah. We just finished some research that we are really intrigued with, but it looks at the rankings of companies and brands on their cultural currency, I guess it's a proxy for how strong your brand is, if you've got innovative products and services and a really powerful brand. And the other one being social responsibility. And the brands that scored right at the top or companies of being strong on both in our data had far stronger affinity, and loyalty, and pricing power. And they were brands that, were brands like Warby Parker, Toms, Patagonia, CVS, Apple. What's interesting, when you pull back from those, Starbucks was at the top, is you started to see companies that were heroic in two ways. Being strong on being heroic for their customers and their brands by creating great products and cool brands, and then also really taking a social stance. And so I actually just shared some of that data with Toms, we were out there last week, and I think they really get it, but they're structured differently, Jamie.

Jamie: Yeah.

John: They're structured like a modern 21st century millennial type company, and I think today's companies, they silo those two disciplines, and that's not the case. Today, really anything, we call it "organic authority," but anything can become a great tool that accomplishes both goals because people want both.

Jamie: Right. In fact, I was speaking with someone at Warby Parker and she was one of the first 50 people in the company. And I asked her about, "How did you scale something like that?" And there are difficulties of scaling that model, but they did it. And you're bringing up the notion of a company starting like that, then what about companies that did not start like that? Do you have advice for those companies to break those silos and start to move in that direction?

John: Yeah, for sure. I think one of the interesting things is looking at, we call them kind of "restarts", but big companies that have that start-up mentality. And one of the things they do is that they will deploy tactics as strategies, which is they will sit down and look at ways in which they can actively promote social good and build that into their brands through a tactic or an idea. Clearly these can be business decisions, CVS deciding not to sell cigarettes was a business decision that blew up the internet. It was a bigger idea than anything they could've done in advertising, just to be cynical about it.

Jamie: Right, right.

John: But in the old 20th century view, that was like, "Well, we don't wanna talk about that stuff 'cause it looks like we're trying to be promoting and advertising." And I'm seeing in our data, millennials are saying, "You better tell us what that stuff is or we're not gonna buy your products."

Jamie: Right, right.

John: So that's the whole idea, is how do you think about your CEO? How do you show your values? How do you show your values to society in a way that shines a light on your products?

Jamie: Right. And so you work with your clients then to, I guess, take a look at their data and take a look at their audiences and try to make that shift?

John: Exactly. It's looking at how do you involve your employees as media. To be honest, what's interesting today I think is HR is gonna be completely inverted. Human resources used to be about representing management to the people. And now it's bottom up and it's going to be, I think, a core strategic function moving forward because HR is gonna find the ideas and the people, and take the values and culture of a company and shine it from the inside out. How like nutrition leads to complexion. It's that kinda idea. Which is why some of the companies we've been interviewing recently, from Squarespace, to Facebook, to others, they don't have HR, as much as now they have either chief cultural officers or they call them people officers because they're looking to find ways to show those values in a way that's gonna make a difference.

Jamie: Right, right. And so do you ever work with your clients in relation to the sustainable development goals or the SDGs to educate them on that and move them in that direction?

John: We do. In fact, we're honored as part of a holding company, WPP to be working on the gender equality initiative. So, I'm involved with the United Nations campaign fund called the Girl Up campaign, girlup.org which is amazing. And all proceeds of our book go to Girl Up, but it's just an amazing organization that's focused on taking tweens, teenage girls and helping them advocate for at risk girls around the world.

Jamie: Okay. And do you have any examples of work you've done with your clients that relate to the SDGs?

John: Yeah, we're doing work right now with Unilever and Pond's to look at the way to build out a sustainable platform. You're probably familiar with, Unilever calls them USLPs, Unilever Sustainable Living Platforms. But basically it's a corollary social brand positioning that works for every marketplace brand positioning. And I think it's just a brilliant notion that Paul Pullman and his team have developed. And so with that, and that's the exciting part about this, where I think everything is it going is that every brand ultimately I believe like Toms, Warby Parker, Unilever brands are going to be into this space. They're not just gonna be out marketing and advertising, they're gonna be developing social good programs.

Jamie: Right. Yeah, I think it goes back to what you were saying earlier and it goes back to talking about filling that gap there. Rewinding a little bit back to your research and talking about women leaders. And when you did your surveys, was it in the context of women leaders in government? Or was it just leaders in general?

John: It was leaders in general.

Jamie: Okay.

John: And again, what we tried to do with that one half of the sample was not to ascribe any gender to the issues so that we could really understand it, in a clean way, how people were thinking about which characteristics, skills competencies, have the biggest impact, or which were the things that people we were, were most in demand.

Jamie: And so what are you finding today, in terms of women breaking through glass ceilings at corporations, and getting more and more leadership roles?

John: Yeah, well, I think is clearly... Was witnessed last night, but also, in boardrooms across America, it's just way behind the times. And not only at the government level in America, but inside corporations. Whether it's women in senior management, women on boards, the numbers publicly available are in the teens. They're 15% to 16%. Which is, for me, completely out of whack with the reality that, if you look at most other consumer data, women purchase or influence over 80% of all products and services. And so yet they're not in the center

of the leadership making the determination of those products and services, which is a tilt that I can't understand.

Jamie: Right. Yeah, there are some humorous examples there of men trying to market products that women buy and whatnot.

John: Yeah. The Lady BIC Pen was my favorite.

[laughter]

John: Because ladies do write differently, so they need to have a lady pen that's just for them.

Jamie: Right. Right. I was at a hardware store once, and there was a lady hammer. I found that interesting. It was slightly smaller than the regular hammer.

[laughter]

Jamie: I was like, "Okay," so there's that. So what would you say about the way things are moving, trying to get these two streams to go together, your work with getting companies to be more socially responsible, the movement towards that, the movement to have women have more leadership roles? Where do you see all that converging and going to?

John: Yeah, frame it all, Jamie, as bottom line performance. And that's where our data is really aligning, which is that feminine values in our view, are an operating system for a 21st century competitive advantage.

Jamie: Right.

John: And that becomes the fact that we live in this open social transparent world. So often times, when you say words... And it wasn't us that said these were feminine, these were people around the world.

Jamie: Right.

John: But when you say feminine words, they're obviously interpreted as nurturing, and caring, and weak. But then, if you flip that around to real business problems, and said, "How do we get a number of different organizations to communicate in real time to crash on a project? Well, that's called collaboration. How we do get to insights into customers? Well, that's called empathy." So it's really refraining a lot of these words, and more importantly, probably looking at how it contributes to bottom line performance. Because we're seeing in our data, whether it's on social responsibility, or on gender equality, that the companies that are inherently more responsible, more feminine, are doing better in the marketplace.

Jamie: Right, right, right. Going back to what you were talking about with there being maybe, hopefully a short-term feeling out there of maybe isolationism, or whatever fueled Brexit, or is fueling the Trump win. You see a longer-term trend here, that isn't that?

John: Definitely. I think you've got a number of effects happening. You've got the rise of technology. You've got the rise of millennials now, into power. You've got Gen Z right behind them. We're gonna have the first Gen Z kids in businesses as interns next summer, summer of 2017. So, digital natives, all that stuff that we know about. Different values. And then I think, as we think ahead to the future of the other parts of the disruption are, the chaos that is just basically an organization of an economy that's restructuring and changing. From making stuff to services, at least in the US. But all that stuff, whether it's we work or we live, or Roam is my new favorite, where you sign a lease, and you can live anywhere in the world.

Jamie: Wow!

John: So all this innovation that's happening, the Airbnb-ing of our world, are all gonna have impacts on how we relate to each other, and how we work, and how we think, and how we lead.

Jamie: Yeah. Those are all good points. And could you expand a little bit more on the role you see technology playing?

John: Yeah. It's obviously scaling ideas to be able to work so fast, so that you can have huge valuations in a company, and no assets. Airbnb, Uber. But there's just lots of really interesting, I think, solutions that are gonna come out of that. Some of the people that we interviewed for The Athena Doctrine. There was this young guy, Fukazaki-san, who started, he described it as hacking an Airbnb. But he did it in his dorm room, with a couple of his friends, right after the tsunami and he put 14,000 families into housing through roomdonor.jp. And he worked faster than the government.

Jamie: Wow!

John: And so, I think that's part of this key value, Jaime. Is like the 20th century model was obviously top down, hierarchical, scale, size, power. And this kid in his dorm room is like, "Well, I see a problem, I'm gonna go fix it."

Jamie: Right, right. And that definitely is... You always hate to put things into the millennial mind frame, but it definitely, I think, that come from the millennial generation. And even though Gen-Xers and others, I think, now embrace that, I think it came out of that generation.

John: Yeah, I think it's a set of attitudes and values rather than an age, but it's all because, back to your question about technology, it's all because it's possible now.

Jamie: Right. Right. Alright. Is there anything else you'd wanna add or let us know about? I feel like we explored quite a few topics.

John: No. No. It was great to talk to you. I loved you guys' podcast. You guys do some great work...

Jamie: Thank you.

John: So it's an honor to be on it.

Jamie: Well likewise, honored to have you, you guys are doing great work. So John, thanks for joining us. Fascinating conversation. For our listeners, I hope you enjoyed this episode. To learn more about John, you can visit bavconsulting.com and follow John on Twitter @johngerzema. Make sure to subscribe to our podcast, so you don't miss an episode and you can keep up with the conversation between episodes by following us on Twitter @jamieserino @MicroEdgeLLC and @blackbaud. Thank you for listening.