



Transform Aid

INTERNATIONAL

For a world without poverty

Episode 4: Engaging your Team

Impact Leaders

Leigh Hatcher: Hello and welcome to Impact Leaders for a world without poverty, supporting and equipping business leaders to grow their business, give purpose to their people and make a transformational impact on global poverty. I'm Leigh Hatcher with a man who says he's discovered the holy grail of truly engaging and motivating the staff of an organisation. It's not by more instruction and training, no mandates or direction and certainly not pressure or expecting more and more on less and less. It's actually quite organic and there's no direct link to cause and effect. Dr. David Cooke's story may seem somewhat counter intuitive but he's real life experience in senior management demonstrates the power of an organisation that cares, cares for the business, its customers, the community and the world. David has had a wealth of experience in the world of management. For the past six years he's been managing director of Konica Minolta, the first non-Japanese MD in the company's history and it's there at the start of his most recent appointment that I want to begin. David, thanks so much for joining us. It's great to meet you.

David Cooke: Thank you very much, it's a pleasure to be here.

Leigh Hatcher: I want you to tell us the story of what you said to your staff when you became managing director for the first time.

David Cooke: Right. Okay. So it was at a national conference and somebody had flown out from Tokyo and announced that the new managing director would be myself. And the unique thing about that was that I was the first non-Japanese managing director in the company's 40 year history in Australia. And to be honest, I didn't actually know what I was going to say on the day. I'm not very good at preparing speeches or whatever but I walked up on stage and I turned around and what I said to everybody was that I wanted us all to work together to build a company that cared, that cared for the people that work there, that cared for our customers and cared for our community. And that has remained as a bit of a framework for us ever since.

Leigh Hatcher: Why did you say that and where did you get it from? If that wasn't a prepared thing? That's quite a profound.

David Cooke: It literally popped into my head.

Leigh Hatcher: Wow.

David Cooke: Where did I get it from? I suppose I got it from a belief that in order for a company to thrive and the people that work in an organisation to be able to thrive within that company and within their lives, then the company really needs to have very broad goals which are beyond the profit motive that yet feed into the profit motive. If so, I think for instance, if you care for your people, clearly people are going to be more engaged and put in a greater discretionary effort when it's required in busy times and things like that. If you care for your customers, well that's a bit of a no brainer. I think most companies understand that and the third dimension of caring for the community. Again, I just believe that people these days be they consumers or business customers have regard for organisations that do care about the society in which they operate and are trying to make some sort of contribution. Another thing that I did. I invited everybody that had been in the company for 25 years or more to fly to Sydney, and I took them out to dinner just as a thank you for their loyalty. And there were about a dozen people and they were actually all of our service engineers, the people who go into offices and repair equipment and so on. And we're just in a public restaurant. And at the end of the meal, one man who hadn't spoken all evening said, could I please say something? I said, of course. And he stood up and he made, what I would imagine was the first speech he'd ever made in his life. And this is what he said. He said, I've worked here for 25 years, and for 25 years I've never told anybody which company I worked for. I just didn't see the relevance in doing so. He said, this was a place I came and did a fair days, work for a fair day's pay. And that's how I fed my family. He said, now I tell every single

person I meet that I work for Konica Minolta, and the reason I do is that I feel so proud to work for an organisation that would care about young women in Cambodia that had been trafficked into a life of sexual slavery. Now anybody managing an organisation or a team will know the holy grail is trying to find a way to have engaged staff who love coming to work, who want to be there, come in with a bit of a spring in their step and still have some energy left at the end of the day when they go home to their families and it's not easy to find that. In this particular case, inadvertently what we found was that although for this gentleman and many others, the dial had not moved for 25 years. Despite things like annual pay increases and putting them on training courses and employees of the month and all that stuff that companies do, the dial had not moved. We did something on the other side of the world, so to speak, and the dial move from disengaged through engaged to complete advocacy of our organisation.

Leigh Hatcher: And pride

David Cooke: Pride! I just love the fact that people love working in our company and we're not perfect, but we've given them something to feel proud about.

Leigh Hatcher: So the company had no prior thought or experience in this caring business?

David Cooke: Not really. It certainly wasn't a focal point in regards for the community, yes, there would have been some small participation with charities who might have approached the organisation or something of that nature, but it was relatively minor, not really top of mind.

Leigh Hatcher: I'd like to know what you were actually thinking in plain practical terms. To care sounds a great thing, but what were you thinking of doing?

David Cooke: That's the question I asked myself when I woke up the next morning. I know, actually I went back to the office once the conference was over, emailed all the staff and some hadn't been at the conference and I said to them, many of you have heard this statement, but I don't have all the answers. And I'm a great believer that 400 minds are better than one. We were 400 people then. We're 500 now. And I said, I'd like you to tell me how we fulfill that vision of being a company that cares. Interestingly, they came back with two main themes and the question was broader than that was how do we make this a great company? The two main themes where we want more communication, particularly

from the top and more access to senior management and myself and so on. And that was easy to do. Also, they wanted more purpose in their roles beyond simply fulfilling the tasks that they had each day in their job

Leigh Hatcher: As a leader. It was kind of a curious thing to go and make this kind of grand statement and then go back to them the next day and say, well, I don't have any idea of how we're going to do that. You tell me they could have been left scratching their heads.

David Cooke: It could have or it could have been viewed positively, which I think it largely was, which was I was setting a different tone in the company. And that tone was that hopefully I'm not an arrogant person, I don't have all the answers. I've actually never been a CEO before, so I'm new to all of this. Let's do it together. And I did some other things as well, so I didn't move into the former managing directors, very large office with the city views and all of that. So not doing that was a statement and I was in a more public office and also there had been a wall. It was an open plan, situation by and large apart from a few offices. But HR, we're in a walled off area where the door was often locked and they used to call it the compound. And so day one I said to our building guy, our facilities guy, get a quote and get that wall knocked down. And it was physically knocked down and people had access to the HR department for the first time.

Leigh Hatcher: Unlock the compound!

David Cooke: Exactly. Exactly! Storm the Bastille or whatever. And again, I did that deliberately to send a message that things were changing

Leigh Hatcher: When they said we want more purpose. What did they mean and what did you think they meant?

David Cooke: Yes. So in this questionnaire that went out, we ask them those questions and by in large what came back was that people were aware that there were other companies, particularly at the top end of town who had done things like form relationships with charity partners and salary match giving programs and volunteering days off and things like that. We did none of that. Uh, of a formal nature, they were asking for things like that. So a follow up to that to show them that yes, we've read the survey and all of your comments, and I literally read every one, was that we then went back out to them and said, okay, we would like to form some partnerships with not for profit organisations. And we gave them three categories which were social, environmental and health, put a dozen names in there. And we just had a democratic process of them voting. And I emphasized to them that I'll always

try and be a democratic managing director. And within about a month I completely went against my word. And uh, in that time I'd been overseas, I'd been to Cambodia and for the first time in my life I really learned about human trafficking and the sexual slavery of young women and so on. And I came back and I said to everybody, we've now got a fourth category. It's called humanitarian. I've already chosen the organisation. We're going to support, we're going to help kids in Cambodia. Sorry about the lack of democracy, and everybody cheered and said, that's great.

Leigh Hatcher: Good stuff. You were also after a different approach where they view themselves or the potential corporate sponsor as equals with the not for profits. There wasn't much of a heart or even dignity in the way the two sides connected.

David Cooke: Yeah. My view, and I did a doctoral thesis on this, the relationship between the for profit and not for profit sector and what lessons had been learned from people who'd been involved for many years. And so I collated that. One of the conclusions I came to very strongly was that the not for profit sector underestimated themselves. They underestimated how much they had to give to potential corporate partners. They underestimated how many of the really big challenges that corporations face today could be mitigated to some extent by not for profit partnerships. And just to try and make that a little bit clear with a concrete example, staff engagement is a massive problem for most companies. There's a thing called presenteeism, which is not absenteeism where somebody doesn't go to work, people do go to work, but they're not really there. They're not present and you know, working at half pace or whatever, turning up, going home, turning up, going home. So there just isn't that nourishment in the job for them. And what's been found in many cases is that when a profit making company forms a relationship with a not for profit partner staff can participate as well. Things like volunteering days and what have you, then it does bring a lot more purpose to that staff member. They become a lot more engaged. And if you do it well, it can even go through to that person becoming a real advocate for the organisation they work for and feeling a real sense of pride.

Leigh Hatcher: What a transformational change.

David Cooke: Yes.

Leigh Hatcher: And you look specifically at a few really significant Australian corporate entities, BHP, PWC, what did you find there? What'd you learn from them? Yeah, so interestingly, when I did those case studies, I had the most simple doctoral research question ever

devised I think. My question was, why do you give your money away? That's all it was. Took me 80,000 word to answer the question.

Leigh Hatcher: Good question.

David Cooke: Yes, yes. And to their credit, every single person said to me, Oh, uh, we had a really big problem in the company. Let me tell you about it. And that was back in 1990 or whatever their particular story was. And exactly as I said before, the way they solve their big problem, which might've been staff engagement, it might've been inability to recruit millennials. It might have been being on the nose with the public for one reason or another perceived as environmental vandals in terms of mining company, things of this nature. When they formed these relationships with the not for profit sector, then the public viewed them very differently and they said, well, okay, there's a decent side of this company as well as the things that we don't like, we will cut them a little bit of slack here. And perhaps more importantly, the staff started to feel more proud of the organisation they worked for.

Leigh Hatcher: Was it as cynical move of theirs?

David Cooke: Well, some people would view it as cynical, but I'm a business person, so I'm a very pragmatic kind of guy. And if there is greater support flowing from the corporate world, the not for profit world and the not for profit world is bringing more meaning into the lives of the people that work in corporations. I don't particularly mind what the motivation is and I certainly don't mind if it's a win win

Leigh Hatcher: Which it is.

David Cooke: Which it is. Yeah. And they're both having their needs met, for me, happy days.

Leigh Hatcher: So tell me how this then impacted on Konica Minolta. What happened then?

David Cooke: Yes, so interestingly, what Konica Minolta does is our parent manufacturers, network printing and scanning devices, which we sell here in Australia along with document management systems, print management systems, things of that nature. We are a B to B supplier. Now that revenue is very dependent on hard copy print people printing bits of paper out of those network devices, but hey, guess what? People print less paper.

Leigh Hatcher: Yes, I was just about to say!

David Cooke: And people buy less printers and statistically the market is shrinking. It just is and we all live on our phones and our laptops and we're in a digital world. However, interestingly, Konica Minolta in Australia is growing. We've grown every year for 10 years since the GFC we are in a shrinking market, so the pie is getting smaller, our slice of the pie is getting bigger and I've not been able to answer the questions. That question is how is, how is that happening other than to say that I believe that we are being rewarded for our good actions by people wanting to come and work for us, by people wanting to stay longer with us in the face of better offers out there and with our client's remaining with us and with new companies saying, Hey, we've never done business before but we kind of like the cut of your jib and we'd like you to be our supplier.

Leigh Hatcher: Do you call this the holy grail of an engaged workforce and the results of that flow from that?

David Cooke: I think it is because again, it comes back to that whole virtuous circle that everybody is winning. The whole game has been lifted up a notch.

Leigh Hatcher: You now employ a corporate social responsibility manager and that's what they do, manage that.

David Cooke: Yes, we do. And we employ an ethical sourcing manager. So we've been very strong advocates in Australia for the modern slavery act that will compel every company above a hundred million dollar turnover to investigate their supply chains to eliminate modern slavery or slavery like practices. And so we have an ethical sourcing manager now that will work with our suppliers that we buy things from to ensure that we can eliminate those practices. And I would dare say we're probably the only 500 company in Australia with a CSR manager and an ethical sourcing manager. I might be wrong, there might be some other ones out there as well, but typically that's the domain of a much larger company.

Leigh Hatcher: Apart from what you gain as the boss of all this and what the company gains as this process happens, do people feel better about themselves?

David Cooke: Well, that's what they tell me when they walk up to me in the lunchroom and the coffee queue and the car park and what have you, but I won't try and say that there is no self motivation here or self interest or whatever. I want to be able to look myself in the mirror as well. You know, I want to be able to finish my corporate career and say I did it to the best of my ability covering those

three spectrums of the people that worked there our customers and the community. There's an expression in the, in the human rights world, which is once you know you can't un know once you've seen, you can't un see. Yes. I've been to Cambodia quite a few times now just to single out that one, not for profit partner and their cause you know, I've met kids as young as three have been trafficked into a life of sexual slavery. Believe me, you can't turn around, go back home after you wake over there and do nothing. I don't believe if you're a good moral person and I'd like to think I am and when it actually not only serves the purpose of me feeling good about myself, but when it actually somehow in a funny way feeds into the company's growth and its fulfillment of its financial objectives and improve shareholder returns back in Tokyo for people that buy shares and everything else. Why wouldn't you do it?

Leigh Hatcher: Win win is such a cliché, but this is a stunning example of that, isn't it?

David Cooke: Well, I think it is and I, and I do know that's a cliché and some people will even say, well, shouldn't it be about the not for profit partners, it shouldn't be about the company getting something out of it, but again, where the commercial needs of the company are being fulfilled as well, you're going to get so much more buy in and also under the Australian corporations act under Australian law, every company director has to act in the best interest of the company. Now, if you to use this colloquial term, give your money away to the not for profit sector or what have you and it can be clearly demonstrated in doing so, you're acting in the best interest of your company will then, go for your life.

Leigh Hatcher: There's no end of need though, around the world. What are the benchmarks for who you support and who you don't?

David Cooke: I'm pretty happy with how we did with, which was the democratic way. We just had our staff vote. And interestingly there are a lot more surveys going on now around the world with companies going to their staff and saying, what do you want? What do you want this place to look like? And there's a recent one, of new economy companies, so you know, Ebay and Amazon and Google and Apple and all of those people. And the three things which the staff came up with there and their populations are probably a little bit skewed to a younger demographic than ours. But what they came up with was number one, purpose. Number two, autonomy. Don't micromanage me, leave me alone. And the third one was mastery, which is when I leave this job because they turn over more quickly. When I leave this job, I want to have become very, very good at what I do. So not dissimilar to us. Purpose was

number two for us. It's number one in those companies these days. So it's kind of catching on, I think.

Leigh Hatcher: Yes. I began this great conversation with one of the myriads of truly inspiring stories that have emerged from your whole experience. How you started in this. I'd like to finish on another and that of a one week overseas incentive trip that some of your employees went on. Tell us what happened there, David.

David Cooke: Yes. So we had a conference that involves some time on an old clipper ship. It's about a hundred person masted sailing ship off the Thai coast. And there was a lecture one night, by the cruise director talking about Thai culture and so on. And we asked the question at night when we're out there in the middle of the ocean and it's pitch black, we can see lights just dotted all around the ship. What's going on there? And the person said, oh, they're Thai fishing vessels. And they light up the area around them and the fish swim in and then they scoop them up in the nets. She said once she jumped in a little boat and she'd gone over to one of these vessels and said, could she come on board and, and ask the captain a little bit more about what sort of fish do they catch and that kind of stuff to inform her talks. And he said, yeah, yeah, of course. Of course. So she jumped on board and the first thing she saw was a man sitting on the deck with a collar around his neck, and he was chained to the deck of that boat. And she said, who's that? And the captain said, Oh, uh, it's a slave. So notice the dehumanizing language. It's not even a person. And she said, but you can't have slaves. With a sweep of his arm indicating all the other boats around him. He said, most of us have slaves. And she said, but why is he chained up? And the captain said, it's a troublemaker, this one, but it'll be fish food soon. He then said, if you're so concerned, you can buy it off me if you want to.

Leigh Hatcher: When you say fish food, what do you mean by that?

David Cooke: Yes, he was going to throw this slave overboard because he was just too much trouble now, and he had probably served years of free labor anyway, so they got their value out of him, but they negotiated a price of \$700 USD. She went back to the boat, got the money, came back, and she bought that human being and they took him to shore and it turned out he'd been trafficked from Myanmar. He'd come there on the belief that he was getting a well paid job. He could go back and set his family up for life, but of course he was just kidnapped and had never been paid a cent. So again, when you hear things like that and you realize that that seafood is coming to the dining tables of Sydney and going into the cans of cat food that people are opening in Sydney or anywhere else in Australia, you kind of know that your business

somewhere in its supply chain might have some issues as well. And that's when you go looking.

Leigh Hatcher: And as you said before, once you see, you can't unsee once you know you can't unknow.

David Cooke: Yeah, yeah, that's right.

Leigh Hatcher: So the lesson for us?

David Cooke: I think the lesson for us is to all as individual consumers and as businesses take responsibility. So ask the questions about where are these clothes made? There are apps you can get now and there's information on websites that are available that can inform you about whether the company that you're about to buy something from is an ethical organisation or not. And I would say steer your spending towards those that are trying to do something about eliminating slavery from their supply chains.

Leigh Hatcher: Because a lot of it is truly transformational here and there.

David Cooke: Yes, well that's true. I mean it does make a huge difference here. We've talked about things like staff engagement, but wow, that's nothing compared to the transformation of freeing somebody from slavery and what it does for their life.

Leigh Hatcher: Dr David Cooke, it was a great story, a brilliant and inspiring story. I'm so glad you've shared it with us. Thank you so much for joining us.

David Cooke: Thank you very much.

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