CASE STUDY

Absolute Personal Responsibility

Multiplying Absolute Personal Responsibility to Drive Transformation with 120,000 Employees in 22 Markets
Executive Summary

Olaf Koch, CEO of Metro AG, decided to tackle his company’s transformational challenges by focusing on culture. Together with CHRO Heiko Hutmacher he started with the Metro Cash & Carry sales line aiming to engage all 120,000 employees. Top priority was to install Absolute Personal Responsibility throughout all layers of the organisation. The intervention was focused on living authentic leadership and shifting to a culture of collaboration and interdependency. In order to get there, they embarked on a 2-step journey with Oxford Leadership.

In the Leadership for Growth 1 wave, seven mission-critical capabilities were identified and trained in experiential learning interventions:

• Building Trust
• Celebration & appreciation
• Dialogue
• Team Dynamics
• Coaching
• Giving & Receiving Feedback
• Decision-making (speed and decisiveness)

The capabilities had a particular focus on collaboration across boundaries.

The feedback from Metro AG Germany was that “LfG2 has aided to bring real and sincere messages across. It is a good bridge between one’s individual journey and the company’s objectives and it has helped to deeply understand the team dynamics and the different contributions due to individual specifics.”

The programme illustrates that fundamental transformation will succeed if authenticity and individual responsibility are at the heart of all endeavours, with senior management leading the way.

Transformation is a state of mind and a life-long practice. Organisations should be prepared to face continuous transformational challenges. If we want to grow Bigger business, we need to grow Bigger leaders.

More and more people grasped the idea of ‘one company, one meaning, one language, one strategy, one action’. A solid foundation had been laid for rebuilding the winning spirit of the company. In 18 months, over 100,000 people had engaged in the process at Metro Cash & Carry.

For the second part of the journey, concrete capabilities to lead and foster transformation in the organisation needed to be developed.

In the Leadership for Growth 2 wave, seven mission-critical capabilities were identified and trained in experiential learning interventions.

The first part of the journey, Leadership for Growth 1, was designed to help leaders and employees regain focus at a personal level through reconnecting with themselves and each other in a sincere dialogue. As a result, people gained self-confidence and a sense of closeness, appreciation and a deeper level of trust across the company. This helped rebuild the social fabric of the organisation.

As they gained clarity about their purpose and the contribution they can make in their lives, roles and careers, participants felt empowered to make conscious personal choices, engage in crucial conversations and change some of their vital behaviours. Leaders and employees reconnected and identified with the company, its values and goals.

The process was cascaded by senior leaders throughout the Metro Cash & Carry organisation across 22 markets. Sharing the experience with other participants helped repair the social fabric and lower the silo barriers deep within the organisation. This ensured authenticity and true commitment to the transformation.

Leaders and employees reconnected and identified with the company, its values and goals.
In January 2012, 43-year-old Olaf Koch took the helm of international retailer Metro AG, making him the youngest CEO among DAX-30 corporations. Never one to stand still, he had an ambitious agenda for the company: regaining customer-centric value creation, ensuring success through excellence, and fostering global entrepreneurship.

Implementing his strategy required overcoming susceptibility to inward orientation, silo mentality, and complacency.

Koch was determined to tackle the required transformation at the root cause of all things: culture. Together with Heiko Hutmacher, CHRO, and the executive board, he decided to start the process with the Metro Cash & Carry sales line, engaging 120,000 employees.

**Authentic Leadership Responsibility**

It was clear from the outset that the only way to move beyond fragmentation and self-absorption, was to instil full, authentic leadership responsibility in every employee. This called for revitalisation of intrinsic motivation and heartfelt responsibility. Leaders had to become authentic role models, capable of creating meaningful connections of trust and inspiration.

Metro AG embarked on a two-step journey with Oxford Leadership (OL). The *Leadership for Growth 1* wave was set in motion, featuring OL's Self Managing Leadership® (SML) solution, a highly interactive and experiential programme that employs plenary sessions, small group dialogues, and individual reflection to develop insight, focus, and commitment. Koch and Hutmacher decided that senior leaders would cascade the programme throughout the Metro Cash & Carry organisation.

The key purpose of SML was for employees to regain focus on a very personal level through reconnection with themselves and each other in sincere dialogue.

Throughout the SML compass process (see Figure 1), leaders and employees reflected upon the course of their personal behaviours, values, vision, barriers, choices, strategies and actions. As they gained clarity, participants felt empowered to make conscious personal choices, engage in crucial conversations, and change some of their vital behaviours.

"People regained full ownership of the company's purpose"
A sense of Absolute Personal Responsibility began to emerge slowly. The process rebuilt self-confidence and gave people a sense of closeness, inclusion, appreciation, and trust. Sharing the experience with other participants helped repair the social fabric and lower the silo.

Participants reconnected with themselves, which led to much clearer personal focus and higher energy levels. They also reconnected with their colleagues, discovering the person behind the employee, which resulted in more closeness and deeper levels of trust across all levels. Out of this process grew a solid personal and collective foundation for a more intense connection: work goals became more meaningful; clear choices helped to free energy to balance personal life, family and work; people held crucial conversations both in and out of the office.

They reflected on their behaviours and started asking for appreciative, constructive feedback. More and more people grasped the idea of ‘one company, one meaning, one language, one strategy, one action’. A sense of Absolute Personal Responsibility began to emerge slowly. People were growing as leaders, taking more ownership for the transformation and the business results.

**Authentic Leadership Responsibility**

People want to believe in their leaders. Any fundamental shift in culture and behaviour needs to start at the top of the organisation and requires leaders to showcase the change they seek to invoke in others. In Metro, the ‘do-it-yourself’ method of cascading the process down the organisation proved to be immensely rewarding. Leaders went through the process at least three times, with the motto: ‘see one, do one, teach one’. Facilitating the process after experiencing it personally, they became role models who really ‘walked the talk’.

The SML® cascade was built around three principles:

- Leadership starts with myself
- The conversation is the relationship
- I own the responsibility for adult-to-adult collaboration

People felt more responsible to interact, communicate and collaborate proactively with others. Eventually, there was much less need for internal corporate communication around the transformation.

Gradually, awareness, willpower and focus were regained – individually and collectively. Peoples’ personal lives were reconnected with the company, since their individual priorities could now be integrated with the company’s goals. Within 18 months, more than 100,000 people had engaged in the process at Metro Cash & Carry. The process is now being extended to Real’s 60,000 employees.

In Metro Cash & Carry, the ‘do-it-yourself’ method of cascading the process down the organisation proved to be immensely rewarding.
Experiences

Implementing a process like Leadership for Growth 1 did not have the same effect in every context and country.

Adriana Ross-Maugourd, Global Director Change & Transformation, Talent Management, Leadership and Change, stated: “Leadership for Growth 1 is the most positive experience which I have encountered in terms of accompanying people through change and transformation processes. A worldwide feedback score that goes beyond 4 (out of 5) is the measurable effect. We have gained many impressive experiences, and also heard a lot of stories from our colleagues of how people have been touched by the programme.

In the rare cases we encountered difficulties and resistance, we identified one of the following reasons:

- Fear of showing vulnerability and weakness by leaders and employees, which hindered them from being authentic and opening up.
- In some cases, there was not enough support from the management - other business priorities were blocking resources necessary to implement Leadership for Growth 1.
- The tendency to blame others instead of concentrating on what everybody can do themselves.
- Hierarchical thinking and lack of self-confidence – exposing difficulty to overcome old patterns of thinking.
- A lack of role modelling by leaders in workshop and afterwards.”

In France, Leadership for Growth 1 started mid-2012 with the top 40. Benoit Feytit, Managing Director Metro Cash & Carry in France, described the process in France as: “At present [July 2014], we have finished the roll-out for our 3,500 people with management and middle management responsibilities. We are still in the cascading process, by the end of the year 2014, all our 9,500 employees will have attended the programme.

On an individual level, people have been surprised and delighted to have this opportunity of personal growth. On a collective level, Leadership for Growth 1 has allowed for employees to come to a common understanding about: What is leadership? What are our common values inside the company? What are the behaviours we need for the success of Metro France? There are more authentic relationships between people, cross-functionally and between hierarchical levels, with management teams being really involved in the cascading process.

Finally, Leadership for Growth 1 helped reinforce our common will to go further in the business challenges we have.’

Michael Picard, CHRO of Metro Cash & Carry Germany, said Leadership for Growth 1 helped participants understand the importance of managing their lives to become more activity driven and has helped colleagues connect more deeply. On a team level, the cooperation is more constructive: People work more closely together, are more open towards each other, and are more focused on common/shared solutions.

“Leadership for Growth 1 is a good basis for current and future challenges in a change-driven environment. Knowing each other better makes us a stronger team,” Picard said. “There is more cooperation, people appreciate each other’s work more, and networks have started to build up. Topics are no longer swept under the carpet, but solutions are being sought. Additionally, people are increasingly willing to make decisions on their own”.

Picard also experienced a difference in the head office: “After the reorganisation of the company, the employees’ trust in the company and their team spirit developed again” and in the German stores: “Historically grown barriers are falling; understanding and responsibility for other departments within the stores are increasing; and the employees define and approach common objectives.”

“Sometimes people are suspicious about a topic and the basic approach to share really personal views. Therefore, we invest a certain time frame to explain the sense and the wider context of that.”
The outcome of *Leadership for Growth 1* was that people had clarity on the context and choices that they wanted to make, the crucial conversations that they needed to have, and the vital behaviours to put everything in action.

**Intensive Accelerator Coaching**

As *Leadership for Growth 1* had been initiating a deeper level of change, board members, Country MDs, and corporate functional leaders undertook personal leadership transformation initiatives. The wish for a personalised approach to deep coaching for the senior leaders came alive, to provide each with guidance to grow as both a person and someone whom employees would rally around. Over a period of eight months, Oxford Leadership provided the mentoring and coaching.

CHRO Heiko Hutmacher said that his coach “is able to connect not only his vast experience in leadership intervention and business context, but equally, his deep knowledge about personal motifs, motivation and drivers, family theory, as well as fears, vulnerabilities and masks, coping mechanisms, etc. with the individual situation of the ‘coachee’. There is never a standard answer or solution, but highly individualised, competent support that is easy to work with and embrace. I was able to address both business and personal issues in a very satisfactory and fulfilling way. The coach helped to clarify my thinking and helped me to identify the right solution for my next steps. Sometimes this went hand in hand with his support to reduce my personal and business white spots (helping me to create a solution that I was not seeing in my scope before).”

Jeroen de Groot, previously COO of Metro Cash & Carry, remembers that “I reacted a bit surprised and thought that a person like me didn’t need that sort of thing. After reflection, I decided that there were a few growing frustrations that clearly needed to be discussed with a professional coach in order to find some guidance. After 1 1/2 days with my coach, I can look back on a very confronting, but also enriching learning experience that made me understand myself much better and prepared my mind for taking decisive actions to change my career path. By learning to understand what my limitations were, I followed my heart and am now in a challenging new position as President of Metro Cash & Carry China. I have the feeling that I can add much more value to the company than before. The discussions with my coach made it possible for me to step back and look at the issues in a more holistic way and go deeper into them.”

Pieter Boone, Managing Director of Metro Cash & Carry Russia, accounts how his Oxford Leadership coach supported him in an important shift from a management board with seven members to one with just five. Pieter agreed with his coach on an integration plan that encompassed how management was able to work in the most efficient way despite an increase of areas of responsibility. Marketing, Sales Force and Supply Chain were added to the portfolio of Country Management. After presenting the plan to his colleagues, Pieter’s coach facilitated a workshop for the new direct reports of the MD.

They focused on how to work as ONE Team, in which cross-functional relationships and blending different personalities were the key objectives.

In the following year, his coach will continue to advise Pieter and support him and his colleagues in the role of sounding board. “Our relationship is based on respect, trust and mutual understanding of each other’s position. I look forward to continuing the Russian Journey and feel privileged to have a good compass with me who is providing me guidance.”
Leadership for Growth 1 had laid a solid foundation to rebuilding the winning spirit of the company.

Leadership for Growth 2

With focus and willpower active, the company needed to improve highly critical but non-functioning interfaces between the silos. The outcome of Leadership for Growth 1 was that people had clarity on the context and choices that they wanted to make, the crucial conversations that they needed to have, and the vital behaviours to put everything in action.

The question emerged: do we have all the necessary capabilities to make this happen? It was clear that in spite of the cultural revitalisation, concrete capabilities for leading the transformation were lacking.

Seven mission-critical transformational leadership capabilities were identified to be at the core:

01. Building Trust
02. Celebration & Appreciation
03. Dialogue
04. Team Dynamics
05. Coaching
06. Giving & Receiving Feedback
07. Decision-making (speed & decisiveness)
The challenge was to turn classical, cognitive capabilities training into an experiential learning process.

A clear link had to be made to keep momentum and to improve the Absolute Personal Responsibility. The Leadership for Growth 2 wave was born. It was designed to provide leaders with skills and capabilities to lead change and foster collaboration across boundaries. The challenge was to turn classical, cognitive capabilities training into an experiential learning process. It had to be effective and applicable to cross-functional business issues as well as continue the personal transformation process. ‘Change the business, change yourself’ was the leading thought.

After extensive testing and refining, a powerful experiential programme was started and the Transformational Story was built. In close cooperation, internal and external trainers, both global and local, from business and HR, were trained during a five-day ‘Train the Trainer’ programme to rapidly and effectively multiply the transformational leadership capability building throughout the organisation. Once again, the motto was: ‘see one, do one, teach one’.

During a two-day intensive experience, cross-functional teams addressed relevant topics, while aiming to find shared resolution for collaborative action. Understanding and talking about the capabilities were just a minor part (less than 5% of the time); it was all about gaining a very deep practicing experience. Corporate headquarters decided to go first, as taking ownership and role modeling really does matter.

**LfG2: Deep Capability Building & Cross-Functional Collaboration**

Outcome: Clarity on

1. Context & choices
2. Crucial conversations
3. Vital behaviours
LfG2: Deep Capability Building & Cross-Functional Collaboration (CONT.)

Do we have all the necessary capabilities?

Breakthrough  =  Absolute Personal Responsibility
LfG2: Deep Capability Building & Cross-Functional Collaboration (CONT.)

Results >>> The Winning Mood

LfG2 Outcome: deep capability building & improve cross functional collaboration

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<th>01. Choices</th>
<th>02. Crucial conversations</th>
<th>03. Vital behaviours</th>
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<td>Speed &amp; Decisiveness</td>
<td>How to do this properly</td>
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<td>7. Decision making</td>
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7. Decision making
6. Give & receive feedback
5. Coaching
4. Team dynamics
3. Dialogue
2. Celebration & appreciation
1. Building trust
   (most vital behaviour)

Doing, acting
FOCUS in all stages on the S-curve

Talking
Underneath the surface

Seeing
Mindset/ How you look at things

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Changing the way we talk will change the way we see, which will change the way we act.
Organisations should be prepared to face continuous transformational challenges.

Patrick Lesieur, Director Executive Resources at Metro AG Germany, felt that "LfG2 has aided in bringing in real and sincere messages across. It is a good bridge between one’s individual journey and the company’s objectives and it has helped to deeply understand the team dynamics and the different contributions due to individual specifics.”

The roll-out started with the Board level and continued with levels 3 and 4. The countries responded well: “I have received only positive feedback related to LfG2,” states Kubilay Ozerkan, Managing Director of Metro Cash & Carry Turkey. “Especially about the attitude of the OL facilitator, her presence, and her authenticity. She displayed role modeling in action.

I believe LfG2 created self-awareness in the team members and improved the quality of discussions and decisions.”

Continuous Transformation

Moving an organisation from an inward focused dependency culture towards one that is client-centric and interdependent is a marathon. Transformation is a state of mind and a lifelong practice. Organisations should be prepared to face continuous transformational challenges. If we want to grow bigger business, we need to grow bigger leaders.

“We have trained more than 100,000 employees in the ‘Leadership for Growth 1’ course. This training course helps our employees identify their purpose and their professional and personal fulfillment in life. Thanks to this training module, team building was strengthened in our organisation and employees said that they feel stronger and more open and resilient to change. Whilst this course helped our employees to become more aware of themselves, we realised that we massively had to up-skill our senior and junior managers. Capability building in leadership was identified as a key priority by our Metro AG Board”.

“The OL facilitator delivers this programme (LfG2) in an interactive and highly competent manner that challenges and supports our managers in a very effective and empathetic way. Our managers learnt not only the various ‘techniques’, but more essentially they could explore the theory at the same time in a safe environment. The facilitator is extremely good in expressing her observations in an insightful way that makes people think about their own behaviour and impact they have on others, giving them space to try new behaviours whilst staying authentic to their true self.

Since April 2014, we have trained more than 1,500 managers across more than 10 countries. We are noticing that this course makes a real impact in our organisation as our managers become more skilled in leading meetings, in communication, in respecting different perspectives, and most importantly, in cooperation and cross-functional and cross-country collaboration.

OL also has been instrumental in leading ‘Train the Trainer’ courses at Metro AG to enable our own people in getting qualified as co-trainers who now assist the up-skilling of our managers in leadership.

We are extremely satisfied with the quality output of this training course.” says Silke Heitmann, Group Director HR Operations.

Manon de Wit from Oxford Leadership supported us in designing and running a leadership capability programme (which we called internally Leadership for Growth 2) that addresses key competences such as:

- Leading a meaningful dialogue
- Give and take feedback
- Recognising and working with different Team Player Profiles
For further information:
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Oxford Leadership™ is a global leadership consultancy specialising in the people and cultural side of organisational transformation in very large enterprises.

We have over 215 partners, consultants and coaches in 28 countries throughout Europe, Latin America, Asia and the Middle East.

We are C-suite consultants and facilitators, coaches and mentors.

We transform leaders, align teams and create fierce resolve and passion to win. Typical interventions are to accelerate performance, execute strategy and embed capability and change.

Our leadership development programmes have over 300,000 executive alumni. Our programmes have been part of the core curriculum in many of the world’s most prestigious corporate universities.

Our methodologies are based on experience gained from supporting more than 100 corporate turnarounds and performance acceleration assignments in FTSE 100 and Fortune 500 companies.