

# Hubbard, Gattung and Tindall on

## Warm-hearted, cool-headed and hard-nosed leadership

We know the theory. We've read (or skimmed) Jim Collins' *Level 5 Leadership*, Daniel Goleman's *Emotional Intelligence* and the rest. But perhaps effective business leadership is less complicated, more holistic. Perhaps it is as simple as having a warm heart, a cool head, and a hard nose. But what do we mean by this?

**B**eing warm-hearted means being empathetic and caring, qualities we have finally begun to appreciate in business. A warm-hearted manager has a natural affinity for the needs of customers, staff, shareholders and the community, and knows how to inspire loyalty and passion. However, warm-hearted managers tend to be overly optimistic about the bottom line and sometimes avoid making the tough decisions.

A cool-headed manager, on the other hand, doesn't panic in a crisis, makes measured and logical decisions, and efficiently uses time and resources. We all know managers like this; they're astute and rational and a huge asset to any organisation. But sometimes they also seem passionless, even cold.

And the hard nose? This is less about analytical intelligence and more about instinctive business acumen. Hard-nosed managers sniff out opportunities and pursue them aggressively, they focus on the bottom line, and, according to the *Collins English Dictionary*, are "tough, shrewd, practical". However, hard-nosed managers are sometimes not particularly likeable, and the organisations they run occasionally risk long-term sustainability by ignoring the needs of stakeholders.

Like Myers-Briggs personality profiles, each of these management modes has its strengths and weaknesses, and the best results come when the warm heart, the cool head and the hard nose work as a team. On a personal level, the three management modes can be imagined as your own, internal management team, each talking to you from a different perspective. Similarly, on a group level, your real-life management team should have a balance of warm-hearted, cool-headed and hard-nosed viewpoints. Unfortunately, this balance is rare at both the individual and the group level. Most of us feel more comfortable working in one or two of these modes, and most teams are similarly imbalanced, often reflecting the biases of the person who appointed them in the first place.

### How they work together

But why is it so important to achieve a balance between warm-hearted, cool-headed and hard-nosed management modes?

We've heard the phrase "the customer is always right". So often it seems trite, yet it is entrenched as a key philosophy of successful, customer-focused organisations. Why does it work so well? From the business perspective,

it appeals to the warm heart (we care about them), the cool head (it's tried and true) and to the hard nose (it's supposedly six times cheaper to keep an existing customer than find a new one). From the customer's perspective, we want to be cared about, we all think we're right, and we believe we're more likely to get a good deal when there is a personal connection. "The customer is always right" is a simple philosophy that appeals to all three modes – from both sides of the transaction.

A less obvious example of good business practice that works for all three management modes is employing staff with flexible or part-time hours. At first glance this appears to be simply motivated by warm-hearted consideration for the lifestyle needs of employees. But it also appeals to the cool head (we can draw from a wider pool of candidates) and to the hard nose (part-time staff tend to be more productive and stay longer, so the organisation pays less for more).

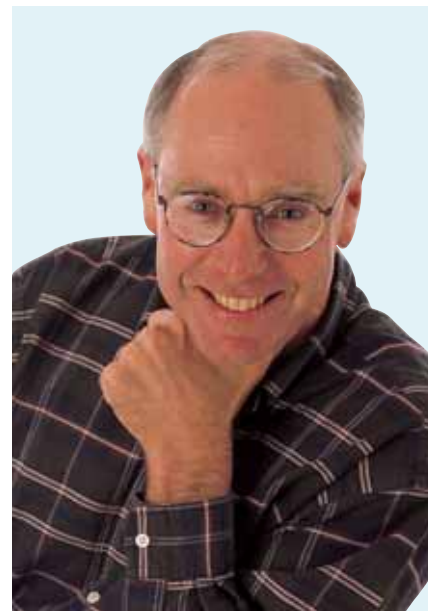
There are however times when the three modes conflict, in particular the warm heart and the hard nose. These are the so-called "tough decisions". In these situations it is all the more important that all three management modes are used quite deliberately, considering



Dick Hubbard



Theresa Gattung



Stephen Tindall

the issue from each perspective separately. Take downsizing for example, one of the toughest decisions of all. The hard nose can be used to explore other opportunities for increasing profitability and/or to quantify exactly how much downsizing is needed. The cool head can analyse the situation and craft a strategy that will maximise the long-term sustainability of the organisation. The warm heart should then manage how any downsizing is implemented by communicating honestly and often, providing lots of one-on-one time to talk through the issues, the alternatives and, especially, the emotions, and by being as fair and generous and kind as possible.

### Hubbard, Gattung and Tindall

To test the warm-heart, cool-head, hard-nose model, we asked three of New Zealand's top business leaders, Dick Hubbard of Hubbard Foods, Telecom's Theresa Gattung and Stephen Tindall from The Warehouse, for their thoughts.

"This is apt, and sums it up nicely," Hubbard says. He talks of "compassionate capitalism", where businesses

follow the rules of the market while simultaneously meeting the needs of the people involved. Compassionate capitalism means using both the warm heart and the hard nose. The cool head is important too, but it is not enough by itself. "Management schools in the past taught us to manage our businesses rationally, scientifically," he says. "But people are fundamental to our businesses and they can't be simply considered as a resource that we then manipulate and utilise."

"Kiwis have heart," Theresa Gattung says. "We are egalitarian and have a strong sense of fair play so being warm hearted is easy for us. But business is tough, and to make a difference to New Zealand's economy we need to work globally, often with companies that don't play by the same rules. To succeed, we need passion, delight, authenticity. But we need to be tough as well."

Stephen Tindall agrees that a warm heart, a cool head and a hard nose are important qualities for business

leaders. "At The Warehouse we try to do everything with heart. We are on the long journey of implementing environmentally friendly policies, we look after our staff and customers and we support many community causes, both directly and in conjunction with our suppliers. But getting the right balance is essential, and the bottom line is vital. A sustainably profitable business can make a really positive difference, while one that is not financially sound probably won't be round long enough to make any kind of impact."

All three leaders believe that they generally have the balance right, although, as Gattung wryly observes, "perhaps you should really ask those around us". For Gattung, the warm heart came naturally, but "I've learned to be discriminating, as a warm heart can be taken advantage of. I've also learned to be cooler, calmer and less impetuous as I've got older. My style now is a combination of analysis, intuition and getting counsel from others."

The warm heart also came first for Tindall. "Being generous personally

is particularly important; this is why we set up the Tindall Foundation, so we could help Kiwis reach their full potential out of our family's pocket, not from our shareholders' pockets." He doesn't discount the importance of being hard nosed however. "Theresa [Gattung] is right; business is a tough game, especially internationally. Being hard nosed, when required, is something I've learned by necessity along the way."

Tindall feels that this model can also be applied to not-for-profit organisations. "In our Tindall Foundation work, we need to act the same way: Listen to what the people who apply for grants are saying with heart. Rationalise their proposals with a cool head, but then be quite hard nosed about our decisions, basing them on whether the proposed strategies and implementations will 'make a positive difference' and be sustainable."

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### The right balance

While we all have warm hearts, cool heads and hard noses, we probably feel most comfortable relying on one or two of these. It therefore makes sense to consciously develop the mode we operate in least often. The first step is to take stock of ourselves and the teams we work in to establish which of our management modes needs further development.

Gattung and Hubbard have some suggestions for developing as a leader. "Seek out people who demonstrate the qualities you want to develop," says Gattung. "Listen to them, read what they write, talk to them if you can. If

you search hard enough you'll always find what you need." Hubbard suggests developing the warm heart through reading writers who provide a broader perspective of business (he suggests social philosopher and management guru Charles Handy) and by joining organisations like the Sustainable Business Network that assist businesses to contribute socially, environmentally and economically. He also recommends following your instinct. "You're more likely to achieve balance through your own sense of what will work than by blindly following a formula," he says.

There are other possibilities for further developing each management mode. For example, while it can be argued that a warm heart is best learned as a child in a family that models caring, empathetic behaviour, it's never too late. Alternatives include:

- Playing make-believe – spending time imagining ourselves in others' shoes.

- Community work, especially where this involves working with people less fortunate than us. Many voluntary organisations also offer their volunteers superb training in interpersonal skills.

- Training courses that concentrate on the so-called "soft skills", eg conflict management, effective listening, coaching, assertiveness, team building, mediation etc.

- Mentoring – a good coach or mentor will provide insight, feedback and a sounding board that is tailored to our own individual needs and situations.

For further developing a cool head, consider:

- Anything that expands general knowl-

edge and gets us thinking more deeply. Reading widely helps, as does study.

- Exercises that broaden the way we think. There is evidence that learning things completely different to our usual interests develops the brain (eg, IT consultants taking art lessons, writers learning tap-dancing...)

- Improving time management. This not only improves efficiency, it also helps us to prioritise so that our brainpower is focused on the things that matter most.

- Courses that provide tactical frameworks for thinking and analysis, eg problem solving, decision making, memory training, mind mapping, report writing, business analysis etc.

Possibilities for further developing a hard nose include:

- Courses that increase financial acumen, eg financial analysis, budgeting and accounting.

- Exercises that help us to be 'business savvy', eg business simulation games and training courses in negotiation, sales and marketing etc.

- Tactical games like bridge, poker, diplomacy and chess are helpful for learning to second-guess what our competitors will do next and to instinctively develop effective counter strategies.

- Arguably the best teacher of all is experience, the fabled 'school of hard knocks'.

One of the great debates is whether leaders are born or made, and this model is good news for aspiring business leaders. We can all achieve our full potential as leaders simply by developing the management mode we use least often, then consciously using a balance of our newly honed warm heart, cool head and hard nose. **M**



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