

The Excellence Dividend

**HARD IS SOFT.
SOFT IS HARD.**

*(“Hard [plans, numbers, org charts] is soft.
“Soft [people, relationships, culture] is hard.”)*

**GOOGLE GETS A
(B-I-G) (S-O-F-T)
SURPRISE**

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“Project Oxygen [data from founding in 1998 to 2013] shocked everyone by concluding that, among the eight most important qualities of Google’s top employees, STEM [Science, Technology, Engineering, and Mathematics] expertise comes in dead last. The seven top characteristics of success at Google are all soft skills: being a good coach; communicating and listening well; possessing insights into others (including others’ different values and points of view); having empathy toward and being supportive of one’s colleagues; being a good critical thinker and problem solver; and being able to make connections across complex ideas. Those traits sound more like what one gains as an English or theater major than as a programmer. ...

“Project Aristotle [2017] further supports the importance of soft skills even in high-tech environments. Project Aristotle analyzes data on inventive and productive teams. Google takes pride in its A-teams, assembled with top scientists, each with the most specialized knowledge and able to throw down one cutting-edge idea after another. Its data analysis revealed, however, that the company’s most important and productive ideas come from B-teams comprised of employees that don’t always have to be the smartest people in the room. Project Aristotle shows that the best teams at Google exhibit a range of soft skills: equality, generosity, curiosity toward the ideas of your teammates, empathy and emotional intelligence. And topping the list: emotional safety. No bullying. ...”

“[Tech] billionaire venture capitalist and ‘Shark Tank’ TV personality Mark Cuban looks for philosophy majors when he’s investing in sharks most likely to succeed.”

Source: Valerie Strauss, “The surprising thing Google learned about its employees—and what it means for today’s students” (*Washington Post*, 20 December 2017)

(I offer no commentary on this page. I think the testimony speaks for itself—and any remarks by me would be gratuitous.)

BONUS: ALL HAIL THE LIBERAL ARTS

AT GRADUATION: Business and professional degree holders in general (MBAs, engineers, lawyers, etc.) have higher interview and hire rates, and higher starting salaries, than new liberal arts grads.

YEAR 20: Liberal arts grads have risen farther than their biz-professional degree holder peers. At one giant tech firm, 43 percent of liberal arts grads had made it to upper-middle management compared to 32 percent of engineering grads. At one giant financial services firm, 60 percent of the worst managers, according to company evaluations, had MBAs, while 60 percent of the best had only BAs.

—Henry Mintzberg, *Managers Not MBAs: A Hard Look at the Soft Practice of Managing and Management Development*

At a seminar in 1999, the moderator asked Peter Drucker, generally considered the father of modern management thinking, what he thought was his “most important contribution” to the field of management. Drucker replied,

“I focused this discipline on people and power; on values, structure, and constitution; and above all, on responsibilities—that is, I focused the discipline of management on management as a truly liberal art.”

(My [don’t-hold-your-breath] dream: **The MBA/Master of Business Administration becomes the MBA/Master of Business Arts.**)

THE LIMITS OF ... STRATEGY-ANALYSIS-MEASUREMENT

“If I could have chosen not to tackle the IBM culture head on, I probably wouldn’t have. My bias coming in was toward strategy, analysis and measurement. In comparison, changing the attitude and behaviors of hundreds of thousands of people is very, very hard. Yet I came to see in my time at IBM that culture isn’t just one aspect of the game—it is the game.”

—Lou Gerstner on IBM’s 1990s historic reversal, from his book *Who Says Elephants Can’t Dance? Inside IBM’s Historic Turnaround*

From Rich Karlgaard's*

THE SOFT EDGE: WHERE GREAT COMPANIES FIND LASTING SUCCESS

“I believe the business world is at a crossroads, where hard-edged people are dominating the narrative and discussion. ... The battle for attention and money boiling inside most companies and among most managers is that between the hard and soft edges. ...

“Far too many companies invest too little time and money in their soft-edge excellence. ... The three main reasons for this mistake are:

- “1. The hard edge is easier to quantify. ...**
- “2. Successful hard-edge investment provides a faster return on investment. ...**
- “3. CEOs, CFOs, chief operating officers, boards of directors, and shareholders speak the language of finance. ...**

“Let me now make the case for investing time and money in your company’s soft edge:

- “1. Soft-edge strength leads to greater brand recognition, higher profit margins, ... [It] is the ticket out of Commodityville.**
- “2. Companies strong in the soft edge are better prepared to survive a big strategic mistake or cataclysmic disruption ...**
- “3. Hard-edge strength is absolutely necessary to compete, but it provides a fleeting advantage.”**

***Karlgaard, the publisher of *Forbes*, is a Silicon Valley stalwart—that is, this analysis comes from the “land-of-hard-harder-hardest.”**

1982: *IN SEARCH OF EXCELLENCE*/
2018: *THE EXCELLENCE DIVIDEND*

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Q.E.D.*

(* So why-oh-why-oh-why is this 36-year rant such a hard sell?) (FYI: As we come under frontal attack from AI, etc., this is 10X/100X more important than ever before.)