

# The Inner Edge

## Monsanto: Creating Competitive Advantage Through More Effective Relationships

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Chairman and CEO Bob Shapiro could see the pathway Monsanto needed to take to become one of the world's top life sciences companies. But first he had to create a culture that could lead the industry in innovation, speed, and courage. At the heart of his mission, the most valuable question he knew—valuable in dollars—was how to get Monsanto's people to work together better than the competitors. How could he create an environment in which employees would be more authentic and truthful, braver, less defensive and territorial, and more committed?

He wasn't interested in a better climate because it felt good to have good relationships—he believed this was a path to true competitive advantage that would enable employees to boost performance by up to one third, eclipsing the competition.

Shapiro describes the challenge in the foreword of the forthcoming book, *Flash of Brilliance*, by William C. Miller (Perseus Books, 1999):

My own guess is that most large institutions operate at something less than 20 percent of their potential, if you measure potential by right decisions and right actions taken quickly and effectively. We know this because we see how people work together in crisis—rank is forgotten, bureaucracy put aside; people contribute, and they do it quickly; the best ideas come from unexpected places. Compare that with how we work on an average Tuesday afternoon: politics, anxiety, mistrust, procrastination, endless review—all of which waste time and lead to weak, watered-down decisions.

Although Monsanto's executive team successfully operated a dozen separate businesses, Shapiro believed the company culture needed to evolve so that everyone would always ask, "What's in it for Monsanto?" when faced with a new opportunity, not "What's in it for my business?"

Monsanto was well positioned to bring food, health, nutrition, and wellness to the world through its portfolio of products and investments in the life sciences, agriculture, and pharmaceuticals. But Shapiro believed that if Monsanto were to successfully shift to the competitive life sciences industry, it would have to propel its ideas more quickly into the global marketplace. It would have to become hyper-responsive to changes in markets and competition, create new growth opportunities outside its current operations, and better manage internal competition for more growth dollars and more overall earnings. Shapiro addressed three aspects of creating a new culture:

- ◆ Restructure the organization to simulate speed and agility, growth of new ideas, and a collaborative atmosphere for the sharing of resources.
- ◆ Stimulate more personal growth so employees could step into higher levels of team leadership.
- ◆ Generate more authentic and caring relationships at Monsanto so people could take the necessary risks and make decisions in the best interests of shareholders without being afraid.

### RESTRUCTURING: TWO IN A BOX

Monsanto revolutionized its structure. Each of the three new sectors—pharmaceuticals, agriculture, and nutrition—changed to a "two-in-a-box" structure, in which each area had two coleaders—one, a technical wizard, the other a business guru. To guarantee that all strategic decisions for each sector were made for the good of all Monsanto, Shapiro created a sector board—composed of all coleaders and six other people, including some of the other sectors' leaders and some corporate executives.

Shapiro believed the biggest challenge would be getting leaders to manage peer relationships, a stark con-

# Monsanto: Creating Competitive Advantage

trast from the reporting relationships and single-point accountability of the more traditional structure. How could executives with years in direct control of their operations suddenly collaborate at a new level?

To help propel Monsanto into uncharted territory, Shapiro formed a team to lead the process. Donna Kindl, corporate vice president of human resources, provided an inside-the-company perspective and I provided the perspective of external consultation. The team's mission was to create an atmosphere of collaboration and superior results. During plan development, we kept in mind our view of the key failings of most corporate change models:

- ◆ A hierarchical structure does not support a more collaborative, innovative culture.
- ◆ The change process does not include personal change first, so as a result people experience the tensions of change as caused by other people ("If only they would change").
- ◆ There is little follow-through with most people who complete "culture change" development programs.
- ◆ Executives attempt to manage the change process without adopting the new culture's values themselves.

Experience has taught us that leaders who master their own personal changes in response to a business or culture shift have greater skill and credibility in leading others in the organization through change. Consequently, we identified thirty-two executives and top managers who would ultimately establish the new culture—the "Core 32." We also identified twenty-five human resources leaders for training to help reinforce the new skills of the Core 32.

## TECHNIQUES MONSANTO USED TO BUILD EMOTIONAL INTELLIGENCE

- 360-degree feedback to obtain information from superiors, peers, and subordinates that can be practically applied to improve interpersonal relationships in the workplace.
- Generous listening to enhance understanding, not just of words, but of the emotional context of the message.
- Story vs. fact, a skill to help people distinguish between facts and opinions, to help reach "the truth" faster.
- Personas, coping devices used by everyone, can motivate or erect a defensive posture. Not part of our authentic selves, personas need to be recognized and "disabled" through generous listening to avoid spinning into unproductive emotions such as anger.
- Limiting beliefs are formed in times of stress and serve as the foundation of personas by constricting energy, attitudes, and actions. Like personas, they need to be recognized and "disabled" from interfering with relationships.
- Personal purpose—how we want to use our gifts and talents to serve others—can make our motivation and creativity soar when it is part of how we work.
- Taking 100 percent responsibility, a state of "cocreation" with others that avoids the pitfalls of burden (doing it all yourself) and blame (having no role).

## THE 360-DEGREE ASSESSMENTS

We needed to know more about the Core 32—their strengths, developmental areas, what motivated them, how they conducted their relationships with each other, and what impact these relationships had on their work and overall results. To find the answers we conducted in-depth 360-degree assessments of the Core 32 members to obtain feedback from peers, direct reports, and managers.

## HOW 360-DEGREE FEEDBACK WORKS

Each executive was given an in-depth report based on informative (and anonymous) quotes from several peers, direct reports, managers, and others on the Monsanto team. We augmented the information from the feedback surveys with two personality inventories: the Sixteen Personality Factors and the Myers-Briggs Preference Indicator. This combination provided what one executive called "without a doubt, the most insightful feedback given in the company's history."

"The 360-degree assessments were very different," said Tammy Serati, vice president of human resources for the Nutrition and Consumer Product Business. "They were practical and strongly oriented to help us make personal improvements in our interactions that would help us achieve better business results."

Bile Ide, the senior vice president and general counsel, agreed. "Poor communication is like a knot in a muscle. The 360's help loosen the knot to give you more extension."

Core 32 members provided written responses to Shapiro and the authors of the 360-degree assessments.

# Monsanto: Creating Competitive Advantage

Shapiro was delighted to see the "seeds of truth and authenticity" appear—qualities he felt were necessary for strong relationships, business growth, innovation, and, ultimately, increased shareholder value.

## DEVELOPMENT TRAINING BEGINS

In 1997, in the months following the 360-degree feedback sessions, we outlined for our Core 32 and HR leaders the level of commitment that would be needed and taught the new behaviors that were essential to accomplishing Monsanto's mission and goals. Leaders received training in six new abilities: generous listening, story versus fact, personas, limiting beliefs, personal purpose, and taking 100 percent responsibility.

## GENEROUS LISTENING

Monsanto's leaders learned that there is more power in listening than in talking, and that they could become more effective by employing "generous listening": the ability not only to summarize the content of what is said, but to understand the fuller emotional content, particularly the speaker's underlying intention. Generous listening means being truly interested in what is being said (not just waiting for the person to finish talking). With generous listening, you gain stronger relationships and more accurate information. Consequently, you make fewer mistakes when acting on information.

## STORY VERSUS FACT

The Core 32 members were taught to distinguish between facts and their opinions to avoid the mistake of disguising their personal judgments as "the truth." The emotionally intelligent organization gets to the full truth faster and clears up many arguments by distinguishing between objective facts and interpretive opinions.

## PERSONAS

The third area of instruction involved understanding "personas," those universal coping devices, often rooted in fear, that can take on either a successful or defensive flavor. "The key, we told the company's leaders, is that we must become aware of our individual personas—there may be several—and learn how to convert any negatives into positives," says Kindl.

Successful personas help us prove our value and worth, whereas defensive personas help us avoid losing out on something. Although personas help us win approval, accomplish tasks, and motivate others, they are not a part of our authentic selves. They are acts.

Each member of the group was asked to share two of their personas.

Senior Vice President Arnold Donald described a persona he called Dr. Death Grip. "When I was in Dr. Death Grip mode, I was convinced I was right, whatever the issue, and others just didn't understand, which would make me tense. Now that I recognize this reaction as a persona, I am able to listen more closely. Instead of rushing to assert my view, I stop, take a breath, and listen to others—and ultimately better decisions are made."

The group learned that what a person says can often trigger a persona. By using generous listening, the mind does not spin off into an emotional area such as anger, because it remains focused on what is being said.

## LIMITING BELIEFS

Fourth, limiting beliefs, the foundation for personas, are formulated in the experiences we have that evoke fear and constrict our energy, actions, and attitudes. Unrecognized, our limited beliefs will surface as hidden (e.g., an executive can be consciously committed to a project yet stall decisions, limiting the project's success).

## PERSONAL PURPOSE

The fifth skill involves understanding our personal purpose and connecting with it by identifying how we want to serve others. When people are working in accordance with their sense of personal life purpose, their motivation and creativity soar.

## TAKING 100 PERCENT RESPONSIBILITY

In the sixth and final skill, we talk about taking 100 percent responsibility. "Taking responsibility" is a state of cocreation with others, rather than the view that "it's all up to me" (burden: 200 percent responsibility) or, the other extreme, "ain't it awful" (blame: 0 percent responsibility). Taking responsibility 100 percent is more than ownership—it is an act of identity. It means I fully identify myself with the actions, integrity, and results produced by this group of people. I will act, and react, as if I were the one taking any of these actions."

Becoming 100 percent responsible means looking inside and overcoming any personal barriers to fulfilling a commitment while calmly and truthfully facing any reservations without blame or shame. Even when authentic reservations arise, or slippage in responsibility occurs, there is a "home base" to come back to for renewal.

# Monsanto: Creating Competitive Advantage

## CONCLUSION

In the year following the development sessions, Shapiro's vision has taken shape. Behaviors have changed. Executives report that their conversations have developed into a higher level. Better decisions are made more quickly, and they are innovative and diverse because of improved input.

The two-in-a-box structure, one successful outcome, has reinforced the goal of rapid decision making and the benefit of collaboration to develop better solutions. After all, why should we assume one person has all the answers? Collectively, we are all responsible for creating and sustaining the business. "The new structure revolutionized our business and now our thinking carries much more depth," say Kindl.

"In this business, the winners are the companies that can bring better, more innovative products to market faster and smarter than the competition," said Shapiro. "When we eliminate the obstacles that stand in our way of doing that—such as bad professional relationships, misunderstandings, and political positioning—we can achieve ultimate business and personal success. My leadership team and I, along with the employees of Monsanto, will do just that, creating shareholder value that other companies just dream about," said Shapiro.

***The greatest discovery is...that a human being can alter his life by altering his attitude of mind.***

**William Jones**

***Your vision will become clear only when you look into your own heart. He who looks outside it, dreams; he who looks inside it, awakes.***

**Carl Jung**

***All human interactions are opportunities to learn or to teach.***

**M. Scott Peck**

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