Tracking value beyond money: A different kind of footprint

People's interactions leave tracks or "footprints" which affect the quality and effectiveness of a company, according to IESE's Rafael Andreu.

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Just because a salesman can sell ice at the North Pole, does that make him good at his job? Money will come in with the initial sale, but a customer will likely be left cold. The future relationship between the two may suffer the fallout: the client may be more cautious, while the sales rep may learn that fast talk is enough to land a sale -- for short-term results.

A similar principle holds for executives who create false expectations in order to get the team to work extra hard. And that is because each business activity leaves tracks or "footprints" that live on in people as they learn from each activity they perform at work. These footprints then determine, at least in part, how future activities will unfold, as they affect the business itself and its working environment.

The book by IESE's Rafael Andreu focuses on the tracks or footprints that business interactions leave behind that live on in people. Positive or negative, they can accumulate and affect a company's future in one direction or another, Andreu argues.

Using examples, the book develops a framework for assessing these footprints and stressing their positive aspects. This is not only a good practice; it is a must that usually also leads to medium-term improvement in the company's earnings.

Positive and negative footprints

To distinguish between positive and negative footprints, the author looks to analyze their

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effects upon individuals. Do they degrade that individual? Or do they, ideally, help make him or her feel better as a human being?

Andreu also suggests that every company, manager and employer define their own "red line" to distinguish positive footprints from negative ones in a way that is made clear to those around them. With a line clearly drawn, others can know where the limits are in interactions without having to guess.

Leaving footprints is inevitable (people are constantly learning), and this leads to ethical requirements, especially for the people who initiate and guide interpersonal interactions. Any decision put into action is likely to influence the personal and professional development of the decision maker/implementer and others affected.

Compared with economic results, the footprints left through learning are often more difficult to observe, measure and value strictly. In addition, learning and un-learning are slow processes compared with the pace of economic exchanges, which these days can happen literally at the speed of light.

This is one reason our attention is grabbed by measurable economic progress. But it diverts our gaze from learning, and learning is fundamental to managing.

Footprints and executives

Executives play a fundamental role in creating positive prints at various levels and in different situations in a company:

- *In all of their interactions*. Even the simplest exchanges -- such as teaching a procedure or developing an operational skill -- leave footprints and tracks. Footprints also tend to feed off each other in group activities.
- *In their relationships with their teams*. Preconceived ideas about people can lead to frustrating behavior and leave tracks. It is a good idea to let people reveal their personalities on their own, little by little. Otherwise, negative impressions, via omission, are likely to be left behind.
- *By avoiding negative learning*. Negative learning is often the result of insufficient (and degrading) knowledge that leads one to consider other persons inferior from the outset. Then, ongoing interactions continue to accumulate negative footprints, while the person causing them erroneously perceives them as positive. The result is unexpected, explosive, counterproductive to collaboration and damaging to both

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sides.

- *By considering emotional factors*. Footprints are usually accompanied by emotions. Cultivating positive emotions and associating them with positive footprints is obviously effective, but an inconsistent mix of footprints and emotions is dangerous. Considering emotions is fundamental to guiding learning into positive territory.
- *By acting as mentors*: Taking on a mentoring role helps achieve consistent combinations of learning and emotions.
- *By remembering that footprints affect all stakeholders*. This also applies to possible negative footprints outside of the company that are caused by the company as it pursues its mission.

Everyone's responsibility

Executives are not the only ones responsible for footprints generated by a company or in society. We all play a role.

- *Companies*. A company should generate acceptable earnings while staying true to an internal mission that respects an established red line -- generating positive footprints or at least avoiding negative ones. On the positive end of the spectrum is a company with a strong social mission called **La Fageda**, a dairy cooperative that employs people with mental disabilities, as a therapy, and makes this naturally compatible with positive economic results.
- *Owners and investors*. A strictly economic outlook is unacceptable if it leads to largely negative footprints.
- *Employees*. It can be useful to come up with a list of footprints and debate it with the supervisor (if amenable) in the context of the company's mission.
- *Headhunters*. Headhunters rarely consider footprints in job specifications (which should be consistent with the internal mission of the company) or candidate profiles. Nor do they generally look into the kind of footprints each candidate has left over the course of a professional career. To produce better companies, this should change.
- *Business schools*. Training programs always leave footprints on participants, regardless of the operations and techniques they teach. Training processes improve if they explicitly take footprint formation and emotions into account to create a positive and coherent framework.
- *Academics in management*. Academic researchers tend to ignore the footprints that the application of their findings could trigger. Keeping them in mind turns

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management into something normative, something that many academics are not willing to accept. However, the alternative means they should take responsibility for the consequences of their footprints.

- *News media*. There is a frequent lack of in-depth analysis when covering research results, and few questions about the kind of footprints the application of research might leave.
- *Politicians and leaders*. Political leaders leave footprints in several ways, and should consider this when designing programs and activities.
- *Citizens*. We should demand positive footprints in ourselves and try to control those that come from our interactions.

The author warns that if achieving a goal requires us to leave negative footprints, we should reconsider this goal. Is that goal essential to the business? And if so, is it a valuable business, after all?

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