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The Face of Leadership

An interview by Lester Levy

UIABR: What is leadership to you in the context of DB?

Blake: Leadership at its core is developing a vision of the future along with the strategies to achieve it. To me the leadership challenge at DB is to align the aspirations of the individuals working for DB with the vision of DB. Unless I can create an environment where those two factors can be interwoven, we will have difficulty in taking the company to where we want to.

In essence I think leadership is about creating a culture where people can realise their full potential and where that potential can be harnessed to achieve the company's vision.

UIABR: In what ways do you see it as being different to management?

Blake: To me management is more about structures, systems and processes, the basics of getting your business right. Leadership complements management by establishing very clearly the vision and the strategy and then inspiring and motivating people towards the vision that has been created.

Leadership to me is more about the motivational aspect of realising human potential.

UIABR: When you recruit, do you look for management capacity and leadership capacity in different ways, or do you place a particular emphasis on one or the other?

Blake: We do have an emphasis and it is more on attitude. When I am recruiting for senior positions I normally take it as given that those people will have the required competencies for the role. If we are looking to employ a marketing manager, then obviously, the range of candidates that we would give consideration to have the appropriate experience and training in marketing.

What I look closely at is their attitude and passion for joining DB and wanting to make a difference within the company. The reason I focus more on attitude is not to end up with a situation where you have people simply managing to the status quo. We want to recruit people who can create new dimensions of performance, which in my view, relates more to leadership capacity.

Brian Blake has been Chief Executive of DB Breweries since early 1993. Prior to this role, he spent ten years in finance and general management roles with DB Breweries. Before joining DB he was Chief Accountant of Blueport ACT (NZ), a container shipping company, and a Chartered Accountant with Wilkinson Wilberfoss (now Ernst & Young). He is a graduate of Victoria University. Brian is married with two teenage daughters who are both accomplished swimmers, one having won six national age grade titles. His interests include current affairs and all sports.

UABR: What key principles characterise your leadership?

Blake: Articulation, alignment and decisiveness are at the core of my leadership.

It is really important that you are able to articulate a vision for your people. They want to know where the company is going and more than that, to really understand the direction and the reasons for that direction.

People have a deep need to understand where the company is headed, because unless they have that real understanding they will not be willing to fully engage. Also, and of critical importance, they want to be part of the process of developing that direction.

The process that we use in DB, although not consensus, creates genuine participation. I spend a lot of time with people right through the organisation creating opportunities for them to express their opinions about where they think we should be going. I know people want to have a say in the direction that we are heading and I believe they need that opportunity and it must be a genuine opportunity.

As a leader, having set the direction, they want you to be decisive in the way you manage and lead the company. It is vital to establish a high level of trust across the organisation if you are to harness the potential of the people who work within your organisation.

“You need to have the inner strength and energy to keep going, if you fundamentally believe in something. You need to keep focussed on heading in the right direction and not deviate”

The workforce wants to see consistency in your decision-making. I don't believe that people like surprises.

UABR: Have you had an experience where you may not have been decisive enough and regretted it?

Blake: Yes. It is more so from an external perspective but its lessons have been very powerful for me. I was involved in the Warriors early days when there were huge problems within the organisation. People looked to me because I was the one with significant commercial experience.

Perhaps, if I had been more decisive we would have resolved some of the key issues in that situation much more quickly.

I learned the lesson that if you feel quite strongly about something, despite all the politics going on around you, you need to stand up and say “this is the issue, let us focus on the issue and let us do that right now”. When you are in a leadership role it is critical to always do what you think is right, independent of all the other pressures, explicit or implicit.

I have carried that back into DB. When things start bouncing around, I think I am good at saying “hang on, this is the key issue, we have talked about it, we have looked at the alternatives and based on what we have talked about, this is the direction in which we are going”.

UABR: In your own growth as a leader, when do you think you experienced the most growth and why?

Blake: I have grown the most when I have been under pressure. One of the necessities of growing as a leader is experiencing situations during your career where you are really tested. In the early days of my tenure, when DB was really struggling, in what I now call the survival phase, many people said to me there are easier ways to make a dollar. There are companies in far better shape than this. I could have walked away from the incredibly tough situation, but to me there was a compelling challenge in turning the company around. I learned so much during that period, about myself, about how to create success through creative thinking, teamwork, hard work and perseverance.

One of the core elements of leadership is persistence. You need to have the inner strength and energy to keep going, if you fundamentally believe in something. You need to keep focused on heading in the right direction and not deviate. I learned in the early days, that things just need to be done and you have to get on and do them.

When you are under pressure you learn a lot more than when you are in a winning streak. I am certain that I learned more in that early phase where we were really struggling to survive as a company.

UABR: That is interesting. I believe somebody once said genius is perseverance in disguise.

Blake: Yes. I think perseverance is one of my qualities. I do think that you have to absolutely believe in what you are doing. If you have that belief, you can become absolutely persistent and grind your way through all the distractions and the counter-arguments and drive to a solution.

UABR: What is your current biggest leadership challenge?

Blake: The challenge is, having emerged first from the survival phase and then the strategic phase, to realise the potential of the people that we now have. I think it was Jim Collins who said, “get the right people on the bus”. At DB I have a first class management team, probably the best management team I have ever had. My challenge is to optimise the potential that exists in the management team, to really take the company to the next level of performance.

From a leadership challenge, I suspect I have all the management basics in place and the strategy is sound ... it is the human capital and getting that focused as a collective capacity, to operate in the most creative way in order to achieve new breakthroughs in performance.

UABR: What changes have you noticed in people's expectation of you as a leader over the last five years?

Blake: People expect to have access to me. At DB, most people, not everyone, but most people feel that they should be able to come and see me, or ring to talk about something.



People expect me to communicate regularly as to where the company is, what has changed and where we are going. They expect to hear from me on all emerging issues. If they don't, then they will ask "what has happened to Brian and why is he not talking to us about this".

We have worked hard on these communication issues and as a company we are now very good at company-wide communication. We over-communicate ... if that is possible. We have now established an expectation that the lines of communication will always be open.

I think people expect me to be consistent with my decision-making. I have created expectations around decision making that were not there five years ago.

UIABR: Understandably, steering DB through those extremely tough times to its current success will have been a huge high for you, what have been the lowest lows?

Blake: Well the lows are much more specific. Attempting to close the Monteith's Brewery on the West Coast (DB's decision to close Monteith's Brewing in Greymouth, and shift production to Auckland, stimulated loyal drinkers to boycott the beer range) was a real low and a horrendous time for me. It was a low, but there was a significant lesson learned which was simply not to lose touch with your environment. As a company you are part of the community and never, ever become too internally focused.

We made decisions based on internal financial figures while there were a number of issues that we just did not address. As the environment changes, you need to keep in touch with that changing environment, otherwise you will end up as a dinosaur.

The other low was the one which I referred to earlier regarding the Warriors. We became confused with the vast number of issues floating around both externally and internally within the Warriors. We needed to very quickly distil what the key issues were and we did not do that, because there was a lack of sufficient commercial expertise on the board. The lesson for me was to step forward and take action and do the right thing, even if that upsets some people.

UIABR: Have you ever made a significant bad hiring decision that you regret?

Blake: Yes. That is interesting in the context of discussing the lows I have experienced.

I had a situation in the early nineties when we employed someone and at the time we were not totally convinced that they were the right person. That was an incredibly costly mistake. At first it takes you time to accept that you have made a mistake.

What you tend to do is to initially rationalise it by saying this person has good industry experience and has now exposed weaknesses in particular areas. I suppose in a nice way you are giving them the benefit of the doubt and you then try to start to work on their weaknesses. You then realise that you have made a mistake in appointing them in the first place and in the New Zealand environment that takes time to fix.

Once fixed, you have to go back to the market and find somebody else. If you make that mistake at a senior level of a company like DB, you have probably lost eighteen months of time, which is significant if you consider the overall performance impact of that.

What I learned from that is to be incredibly rigorous in recruitment.

Your filters and your checks for recruitment need to be incredibly strong and robust, to reduce the chances of making the wrong decisions. We are now very robust in this area ... again learning from mistakes made.

A good recent example is our search for a general manager of marketing last year. It took us six months to find that person. I just kept saying that I would not compromise my decision until I had found the right person. I would rather be without someone for six months than make a compromise appointment.

UABR: Looking forward, how do you think your leadership will need to change to remain successful and what will need to stay the same?

Blake: I think the basic principles I talked about will stay the same. I am fully aware that in the same way that the company is operating in an environment that is rapidly changing, we need to be in constant touch with the changing needs of the people that are working for the organisation.

The expectations of some of the new people coming into DB are different than when I joined the company. In certain ways some of the things that are important to me are not as important to those people. If I am going to motivate

feedback at DB for some time and it is now quite comprehensive. I think it is critical and for me it is good because as a CEO you have always got to be aware that people in your company will approach you and treat you in a certain way.

You need to be very careful that the way in which people in the company approach and treat you, does not camouflage some of the weaknesses that you have as a person. A 360 degree assessment and feedback system, provided it preserves anonymity, will allow you to get candid feedback and build a more accurate self-image of yourself.

Without this type of feedback you can easily be blinded to some of the weaknesses that you have and that cannot be good for the company.

UABR: When this happens, when you get the feedback about a blind spot, how do you respond yourself?

Blake: The initial response is usually some form of self-denial, particularly if it is a surprise, but then I take time and think about how to address it. This may involve talking to some of my people to gain a clearer understanding which will help me change.

I do not think you can just carry on in the same way and ignore it, otherwise the whole 360 process becomes meaningless.

UABR: What would you say to CEOs who do not want to un-

“The more you can tell your people about what is going on in the organisation, then the greater the opportunity to build trust and commitment”

and inspire those people, then I have to be really in touch with their perspectives and fully understand them, their aspirations and their inner values.

It is more about being in touch with those changing needs of our people. To me that is the key and if I lose touch with that, then I run the risk of trying to lead this company based on a set of values that may be expressed in a way that make them appear out-dated and less relevant.

UABR: Who have been key influencers in your career?

Blake: I have worked over the years for very, very good bosses and I have worked for a couple of very bad ones. There is absolutely no doubt that you learn as much, if not more, from the bad ones as you do from the good ones. You watch a particular boss in action and you say I would or I would not do it that way ... I can see the impact it will have.

For me personally though, I have been lucky in that DB has had very good boards and I have had excellent directors with a broad range of experience. Their constant input and feedback to me has been very, very important in my own leadership development.

UABR: In your view how important is self awareness to leadership effectiveness and how do you develop your own self awareness and that of others at DB?

Blake: We have been doing 360 degree assessments and

undertake this kind of assessment because it exposes them and their management team to frank and direct feedback?

Blake: You are denying yourself the opportunity to improve your performance. I would imagine if you had a CEO who was particularly autocratic in their management style and was reluctant to undertake 360 feedback, then they would be heading for troubled waters sometime in the future.

Avoidance is not going to solve the problem. If it is treated as an early warning system to identify blind spots, then it can be a very constructive process.

The other thing to mention is that as you employ new people out of the marketplace these days, they will more than likely have been involved in the process previously and already have had feedback. You will almost seem to become somewhat antiquated in your leadership style if you do not do 360 degree assessments.

UABR: How do you judge the effectiveness of your key relationships within DB?

Blake: I am now a relatively seasoned CEO and if I feel my relationship with the management team is working well and if that feeling is reinforced by tools such as 360 degree feedback and key results of performance, then I see the relationships as effective ... performance is the critical measure.

If my team are not performing, I tend to work through

things. If one of my team is not performing, then we sit down and work our way through the issues. It is either that we have made a bad decision in terms of the hiring process, there is not enough clarity about expectations or I am not giving them enough support.

If I have general managers that are doing a really good job and if those general managers and I share clear expectations of what is required of our working relationship, then we may not, apart from having a catch up once a week at the executive meeting, see each other for days. That is fine and means that the relationships are working effectively.

UIABR: Can I ask you more about communication, which is a complex and often “over simplified” issue. What is your view about intimacy of communication, by that I mean how do you actually create within DB communication that is real, sincere, genuine and promotes the development of mutual trust?

Blake: You need first to be visible and available. At DB I have a particular process called “Coffee with the Boss”. For example last year I met with 22 groups throughout DB to share a coffee and ideas. I ensure the groups are at a manageable size and then for two hours I sit with our people and we talk openly about what is going on in the business. There are places like Invercargill where there might only be five people in the room. These sessions become quite intimate, breaking down a lot of the barriers with the staff and allowing them to feel comfortable about asking any questions and challenging answers.

We complement that as a team once a year when we do a “road show” throughout the country, which is far more

formal. At the end of each presentation we leave plenty of time for questions. These are specific examples of communication within DB.

I think you create the intimacy through regular, open and genuine channels of communication, consistently talking to people about all manner of things happening within the company.

UIABR: The word intimacy does not bother you, or shock you?

Blake: No. In fact I think my general managers sometimes wonder about the openness and intimacy of my communications. Sometimes I say things that shock them and they must think “what is Brian being so open about that for”.

My style is to take the risk of being too open, as opposed to being paranoid about saying people should not know this or that. The more you can tell your people about what is going on in the organisation, opportunity to build trust and commitment.

UIABR: I detect in talking to you that you do not have a very high element of defensiveness in your personality, your working personality?

Blake: No I do not think I do. If criticism is personal and I do not think it is justified, then I will become a bit defensive, but that is just human nature. In terms of strategy, I am very happy to go around the country and talk to people about where we are going as a company in the most open way, with a real intent to actively listen to their views and ideas.

I am also prepared, as I did when Monteith’s went wrong, to have the “buck stop with me”.

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We had a senior management meeting about Monteith's, where there were about 47 managers in the room. I stood up and said "this is my problem ... I made the decision ... I am going to put my hand up and take the responsibility".

With the blame out of the way we could focus on understanding the processes we went through and what we could learn from that for the future.

What really concerned me was that considering my door is open, people had not come in and said "Brian, you are making a major mistake here and there are things that we do not think are right about this decision".

UABR: What do you have in place in DB to support and stimulate the development and leadership within the organisation?

Blake: Well this has been interesting. When I talk with people who are new to the organisation I say that although they may not always work for DB, while they are here the contract is that they add value to us and we add value to them. They may go through our ranks, go on to work for Asia Pacific or Heineken or end up working for somebody else.

Realistically we are not that big a company that everyone will get all their career opportunities with us. If we have someone with us for a short period of time or a long period of time, we will commit to their development.

We invest time into helping people develop while they are with us and that is good for the individual and DB gets the benefits of that. We are not a company that takes the view that we should not develop these people, because someone else is going to come in and take our good people. That is a risk any business takes.

More recently we introduced the leadership development group. We started this three years ago and that was quite a breakthrough for the company. Philosophically we had to ask ourselves whether within the DB culture we could take a group of people and actually set them apart and say we are going to accelerate their development. Would they be perceived as crown princes and princesses within the company?

We felt that if we were serious about taking DB to a higher level, becoming a high performing company, then we had to have the courage to stand up as an organisation and say these people have been identified to receive a range of opportunities to accelerate their leadership and management development. We also made it clear that if they did not measure up they will be dropped from the development group. We felt that was constructive to that high performing culture that we were trying to develop.

What we have done more recently is introduce a leadership and management development program for some of those people who are not yet ready for the top group. It will take them out of their comfort zone and place them in cross functional groups. Hopefully that will help them grow and become the next logical group to enter the high level leadership development program.

UABR: If you were to use three words to describe your leadership style, what would they be?

Lester Levy's Commentary

After interviewing Brian Blake, I mused over his profoundly open style of leadership and how this may relate to the development of trust within an organisation.

We know from research data that teams are more creative and productive when they can achieve high levels of participation, co-operation and collaboration among members. For this to occur three conditions need to be present – mutual trust, a sense of group identity and a sense of group efficacy.¹

If we look beyond the leader and focus on leadership, we find that at the heart of the relational model of leadership are commitments in the form of mutual obligations supported by reciprocated trust and respect.²

Whereas trust is an attribute of the relationship, trustworthiness rests in the intrapersonal qualities of the individual leader.³

Trust has multiple dimensions, so while your employees might trust your expertise, they may distrust your motives.⁴ Maister describes four dimensions of trustworthiness – credibility, reliability, intimacy and self-orientation. Intimacy, in this context, obviously has no physical connotations at all and is described by Maister as being driven by emotional honesty and being more about who we are than any other aspect of trust. To my way of thinking that is the quintessence of leadership, which is how to be, as compared to management, which is how to do.

Individuals who perform poorly on the dimension of intimacy in the context of trustworthiness, are likely to be characterised as technicians - I trust your expertise, but dislike your style of dealing with me. The development of trust requires high levels of performance on all four dimensions, not only one or two.

I have drawn attention to Brian Blake's open, participative and intimate style as an important lesson in leadership. As Maister pointedly concludes, "the most common failure in building trust is the lack of intimacy". He goes on to say that people trust those with whom they are willing to talk to about difficult agendas and those who demonstrate that they care.

The development of mutual trust, the foundation of effective teams will not, and does not happen in the absence of leadership.

Dr Lester Levy is the Chief Executive of Excelerator: The New Zealand Leadership Institute and Adjunct Professor of Leadership at the University of Auckland Business School. A graduate of Medicine and an MBA, he has extensive management experience across both the private and public sectors having been Chief Executive of South Auckland Health, The MercyAscot Private Hospital Group and The New Zealand Blood Service. He has also been Chairman of Boards of Directors in Healthcare, Biotechnology and Film and Television Production.

He has previously been seconded to the Department of the Prime Minister and Cabinet as an advisor, has been awarded the King's Fund International Fellowship from the King's Fund in London, is a Fellow of the New Zealand Institute of Management and is the author of the book "Leadership and the Whirlpool Effect".

Blake: Inclusive. Open. Effective.

UIABR: If I could cut a slice through the people at DB, what do you think they would say about Brian Blake? Not what you would like them to say. What do you think they would say?

Blake: I think they would say that I have been successful in leading a company from a situation where it was really struggling to now where we are doing well. I think that particularly of those people who have been at DB for a while. Some of our newer people have never experienced the tough times at DB. I also think that they would say that I have been successful in establishing a strong family feeling within DB.

UIABR: Do you think there would be a feeling that you care about them?

Blake: Yes I think there would.

UIABR: If you look at the landscape of business and other enterprises in New Zealand, what words come to your mind about leadership? What do you see?

Blake: I think a lot of our leaders tend to be a little bit understated, but maybe that is the nature of the New Zealand psyche. I am not close enough to it, but I suspect that in the area we have touched on, the emotional side of motivating people and aligning aspirations, there is a hell of a long way to go.

UIABR: A current "hot topic" is work life balance, what does that mean for you?

Blake: I have traded things off in my own career. Marian and I had a young family when we first came to Auckland and although I have always spent plenty of time with my family, I have worked long hours because of the state that the company was in when I first became CEO.

I bought a set of golf clubs when I came to Auckland and I have not used them. I have traded off things like that and have no regrets. I have had huge satisfaction and support from my family, Marian and our two daughters, spending time with them, and also achieving what I have achieved

here at DB. It must be very difficult for a Chief Executive to be successful without the support and involvement of their families.

You do not want to get to the stage at some point in your career where you say that you should have spent more time with the family. I would not have to say that.

It just means that between work and family I have not done much else and that is fine by me. Because of the nature of DB and its sponsorship, I get many opportunities to go to rugby games and I am a bit of a sports nut anyway, so I have not missed out on any of that either.

UIABR: What message do you give your people about work life balance?

Blake: We do not want to see people in here working long hours. If there are problems with long hours then we are either under-staffed, or the people are not capable of doing their job properly. I accept that there are peak times of the year when people will have to work hard to achieve certain objectives, and I think that is good.

We do not interfere in their lives by telling them what to do; we just make sure that they have time for the family.

UIABR: To conclude what single piece of advice would you give to someone new to a leadership role?

Blake: Old answers do not necessarily fit new questions.

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