BY GEORGE R. COMRIE, P.ENG., CMC

Lessons for PEO from Jack Welch

A past PEO President applies former engineer and eventual chairman and CEO of General Electric Jack Welch's principles to PEO's challenges.
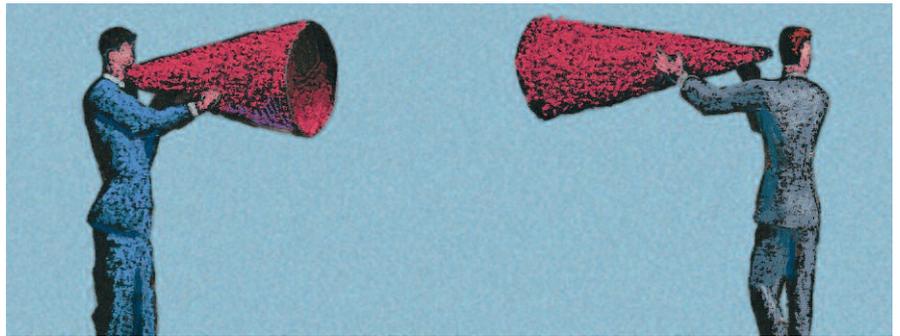
John F. Welch, Jr., PhD, chairman and CEO of General Electric Corporation (GE) from 1981 to 2001, is arguably one of the most successful and celebrated corporate executives of the last half of the 20th century. He presided over a significant transformation at GE that has kept it at the forefront of corporate America in terms of shareholder value and in its reputation as corporate America's leading developer of executive talent, both for itself and for other corporations.

According to authors Noel Tichy and Stratford Sherman in *Control Your Destiny or Someone Else Will*, Jack Welch used six teachable principles to influence that transformation. It occurred to me these principles could be applied usefully to PEO. What would it take to set our engineering profession on a similar course of ever-increasing share value, where the shares are P.Eng. licences and the shareholders are both the professional engineers holding those licences and the public they serve?

Control your destiny or someone else will

What is the destiny of the engineering profession in Ontario? I believe that, as a long-established self-regulating profession, we should be trusted to regulate ourselves and our professional affairs with minimal external interference. In return for putting public interest above our own, we should have broad exclusive rights to practise. And we should enjoy the confidence and respect of the public at large, and of all levels of government, who should look to us first for advice on matters of public policy related to our areas of expertise–energy production and distribution, environmental protection, transportation, and all areas of public infrastructure. Does that destiny not seem reasonable from the perspectives of both the public and the profession?

PEO is a product of the Ontario government, which some 80 years ago saw fit to make engineering a self-regulating profession by provincial statute. Some members, therefore, contend that the government controls PEO's destiny. While it is true that under the *Professional Engineers Act* the attorney general has certain oversight over PEO, and the government could introduce legislation to limit or revoke PEO's delegated authority, I believe there is no reason for concern that the government will deliberately interfere in PEO's affairs so long as PEO fulfills its regulatory mandate responsibly and with the public interest paramount. I believe the engineering profession's destiny is our own to control, unless we choose to abdicate that control.

It is ironic, but telling, that the recent government incursions into PEO's regulatory mandate have come not as a result of intentional public policy but rather as a result of what appears to be empire building by provincial civil servants. I believe these incursions are a prime example of what Welch is talking about here. Habitually in reactive mode, responding to external pressures, and hesitant to advance public policy

in areas that involve and affect engineers, we professional engineers have allowed ourselves to be marginalized by more assertive competing interests, who have begun to intrude into what has historically been our exclusive jurisdiction. Moreover, we have allowed gaps to develop in areas of our self-regulation, such as continuing competence assurance and code adherence, and have thus provided excuses for others to exercise "gapsmanship" at our expense. Perhaps out of deference to government, perhaps out of unwillingness to face change, perhaps out of misguided self-interest, PEO has failed to assert control of its own destiny, and others have moved in to take control.

We need to reassert ourselves by reminding politicians, the public, and our own members of our contract with the people of Ontario as set out in the *Professional Engineers Act* and Regulation, by showing them its inherent value proposition for all concerned parties, and by insisting that it be defended and reinforced. At the same time, we must ensure that we continue to earn their trust and respect by adapting proactively to changing societal expectations and conditions.

Face reality as it is, not as it was, or as you wish it were

A simple clinical definition of psychosis is the apparent inability to distinguish fantasy from reality. In practice, however, the line between reality and fantasy is not always drawn sharply. In fact, some would try to convince us that if we believe strongly enough in our dreams, we can make them reality. I am a big believer in the value of persistence, especially when it comes to achieving one's vision, but pursuing an unrealistic outcome is a recipe for disappointment. Our plans and goals must always be subject to reality checks. So much for wishful thinking!

Welch notes another possible problem with our version of reality—it may be out of date. Living in the past can be a handicap, especially if yesterday's reality is no longer real. Himself a product of one of the world's most highly developed and respected corporate cultures, he realized before most others in the company that GE would have to undergo significant, and sometimes painful, change to survive.

Among professionals, engineers are supposed to be the ones who base their work on scientific principles and observable truths—just the facts, not emotion, not wishful thinking. But I have observed that engineers often fail to apply the same standards of factuality and objectivity to the self-governance of their profession. For some, their model of the engineering profession is the one that existed 20 or even 50 years ago, and they can't understand why it shouldn't still be valid. For others, their model is one that could exist only in a perfect world, and they can't understand why compromises may be necessary.

One example is the recent creation of a separate self-interest advocacy and member services organization for Ontario engineers (OSPE) after almost 80 years with a unicameral professional body, (A)PEO, that was, and is, primarily a regulator. Many engineers in Ontario, and elsewhere in Canada, still have not adjusted their reality to accommodate this change and the opportunities it presents. At the same time, even the founders of OSPE failed to develop a realistic model of how the new organization would work and where it would focus its efforts, especially vis à vis those of PEO. This failure resulted in considerable conflict and unfulfilled potential in the first few years of OSPE's existence.

Another example of "unreality" may be found in some members' reactions to current attempts to enhance PEO's regulatory scope and effectiveness through several strategic initiatives, and to increase member dues to fund these initiatives. They cite the fact that PEO's annual budget has grown faster than inflation for several years, and assume that waste and mismanagement are to blame for this. This is an example of living in the past, while ignoring the fact that the demands of self-regulation for all professions have increased significantly over time and we are now in a position where we must either catch up, or fall behind and face irrelevance.

Be candid with everyone

I have already mentioned the need to base opinions and policies on fact, not conjecture. Candour implies truth. In a democracy, everyone has the right to his or her own opinion. But if my opinion ignores relevant facts, I am exercising (to quote either Peggy Lee or Frank Sinatra) "the right to be wrong."

We see this a lot in the public policy arena. For example: Toronto's elevated Gardiner Expressway is a costly-to-maintain eyesore, so it should be demolished and not reconstructed. Then maybe people will stop bringing cars into the downtown and will use public transit instead. Or, there is no such thing as clean coal, so we must close all of Ontario's coal-fired electricity generating stations to protect the environment. Or, unregistered firearms are being used to commit crimes, so we must establish a national gun registry and require all guns to be registered. These opinions, which can easily end up as public policy, ignore salient facts that need to be brought into consideration if we are to come up with good solutions to society's problems and needs.

But, of course, engineers don't reason like this. We are trained to define our problems and objectives correctly, and to consider all the relevant facts, factors, and options in developing our solutions. It is on that premise that our

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profession has recently stepped forward to assist our governments in performing a disciplined value analysis of potential solutions to some of our most pressing infrastructure-related issues, such as garbage, traffic gridlock, and the electric energy supply mix.

So it is with amazement and consternation that I observe some members of the engineering profession speaking out, often aggressively, on matters related to the governance of their profession

with no concern for the truth. They would never consider performing their engineering work with the same disregard for the facts (if they did, they would be subject to discipline by PEO), but it is as if professional affairs are somehow excluded from the disciplines of professionalism. By so doing, these members reduce our professional affairs to a standard that is even lower than the one prevalent in public politics. Small wonder we are often not taken seriously!

Even worse, I hear much unfounded criticism and impugning of motives on the part of members directed towards their professional colleagues. I would expect the opposite, but it seems to me that members of the other senior professions are more circumspect about this than we engineers. PEO's Code of Ethics explicitly enjoins such behaviour. Candour demands that, as a general rule, I should not say anything about my colleagues behind their backs that I am not prepared to say to their faces.

There is yet another aspect to being candid. If we are going to speak the truth, we need to do so, as the Apostle Paul exhorts "in love." I acknowledge that sometimes the truth hurts, but we should not use it in a spirit of criticism, ridicule, or offence. Our motive in candour should be constructive, not destructive. Keep in mind the desired outcome: We want people to change their views or behaviour, not to become defensive and entrench those views or behaviour. In most cases, we can have the truth come out without denigrating others, especially our own professional colleagues.

A useful technique for giving reproof is called the sandwich technique. In brief, it involves sandwiching a criticism or request for behavioural change in between two affirmations. For example, you might say: "I really appreciate how hard you worked to organize that workshop; I know you had to sacrifice some personal time. The only thing that would have made it better would have been to involve more of your team in the planning and facilitation. I value your contribution to our enterprise and want to help maximize your effectiveness as a leader." In this way, you are building up

the recipient of the reproof instead of tearing him or her down, and your likelihood of effecting the desired improvement is much greater.

Don't manage, lead

Over the last 20 years or so, the focus of discussion in organization development and business has shifted significantly from management to leadership. So what's the difference that Welch is alluding to?

A recent conversation around the coffee maker at work turned to the CEO of a major public utility who was in the news. Some of the participants in the conversation had worked for this utility and knew its senior management. They acknowledged that the current CEO was smart, capable, and aggressive. Then one of them commented: "But so-and-so" (and he named the CEO's predecessor)– we would have followed him to the ends of the Earth." It is said that you can tell if you are a leader by looking to see if anyone is following you, especially in the tough places.

Managers get their subordinates to do what they want by the exercise of positional authority (i.e. by command and control). Leaders get their followers to do what they want by the exercise of moral authority, i.e. they lead by example, modeling desired roles and behaviours, and empowering others to emulate them.

Welch knew from experience that management could become a game of numbers and a process where the rules of the game obscure and sometimes displace the real corporate values and objectives. He wanted GE's managers to work toward building lasting value for the company by creating a culture in which every employee understood the corporate objectives and his or her role in achieving them.

I think his message for us in the engineering profession might be the same. PEO's leadership (i.e. Council and senior staff) does not exist simply to manage the affairs of a regulator. Rather, it exists to provide leadership to the members of the profession in fulfilling their important responsibilities to the public. It exists to create and nurture a

professional corporate culture in which members will be motivated, equipped, and empowered to do the right things right, automatically.
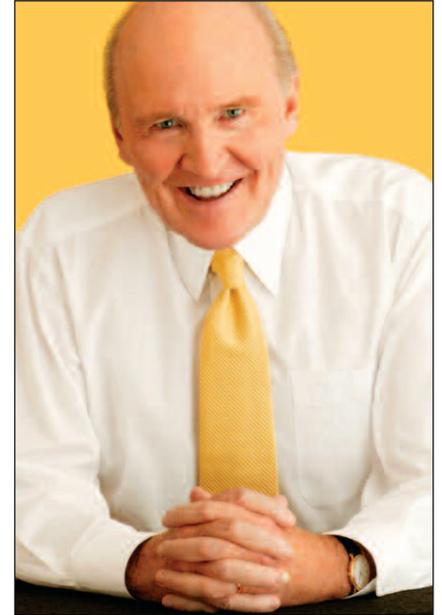
According to Jack Welch, former CEO of GE, change is inevitable and our choices are to resist it or take advantage of it.

Change before you have to

I spent just over six years of my professional career on the staff of the Ontario Provincial Police, developing operational police information systems and providing technical support for criminal investigations. One day, someone told me, with a tinge of pride, that the motto of the OPP is, "Times change, and we change with them." With a little research, I discovered that this motto, like every good motto, comes from the Latin "Omnia mutantur nos et mutamur in illis," which is attributed to a 16th century poet named Borbonius.

A more literal translation of the Latin might be, "All things are [constantly] changing, and we are being changed in them [or along with them]." Do you see my point? There is a subtle difference between these two translations, based on whether we are changing proactively or reactively.

Jack Welch reminds us that change is inevitable. External forces are going to require us to adapt and change. But while

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we cannot avoid change, we can choose how we will respond to it. We can resist it, or we can try to take advantage of it. We can be victims, or victors. And there is a significant advantage to be had by anticipating necessary changes and initiating them before our backs are to the wall.

The world of for-profit corporations offers many case studies of once-prominent organizations that have disappeared after failing to change their business models and practices to accommodate changes in the marketplace or in the way business is done. As an example, the Canadian department store icon Eaton's comes to mind. In their book *Built to Last*, authors Collins and Porras compare pairs of companies in similar industries where one thrived and the other didn't. In the case of thriving companies, their ability to identify and protect a core ethos, while allowing other aspects of the business to change with circumstances, proved to be a key factor in their success and survival.

But government agencies and non-governmental organizations (NGOs) like PEO are not subject to the same competitive market pressures that might force them to change or die. Thus, it is even easier for them to become ingrown and resistant to change. I believe the self-regulating engineering profession in Canada is facing external pressures to which it must adapt, or else face irrelevance and loss of self-regulatory status. These pressures have been building for some time, but we have been slow to acknowledge them, and even slower to respond to them.

Timing is critical. The frog-in-the-hot-water analogy may be relevant here. I haven't tried this, but it is said that if you drop a frog into a pan of boiling water, it will immediately sense the extreme heat and jump out. If, however, you place a frog in a pan with lukewarm water and then slowly turn up the heat, the frog will not sense the gradually increasing temperature and will remain in the pan until it cooks.

PEO is in the process of reviewing its organization and all of its core business processes to ensure they are in line with its mission and core values, and they are both efficient and effective in furthering its objectives. Some members have resisted this activity on the grounds that PEO has conducted several such "fundamental reviews" in the recent past. But I would argue that this needs to be an ongoing activity. PEO must constantly re-evaluate its priorities, programs, processes and organization to ensure they are aligned with its goals and values and with the realities of the regulatory environment in which it operates. PEO must adopt the process of continuous evaluation and improvement, or kaizen, if it is to remain viable and effective as a regulator.

Why does proactivity matter? I have often heard people around PEO say things like, "If it works, don't fix it!," or "Until we have clear evidence of a problem, let's maintain the status quo." I

believe that attitude contributed to our current unhappy situation with building code knowledge testing. For some years now, we have been hearing building officials complain about non-code-compliant plan submissions, but we have never been presented with hard evidence to substantiate them, and there have been very few formal complaints. And, of course, we knew that some of these complaints were unfounded, perhaps reflecting a lack of knowledge on the part of the building officials. So, our response was to oppose external testing of our members' code knowledge. However, I would argue that we had sufficient evidence that an "issue" was brewing to cause us to (a) collect accurate data on the extent of code-com-

pliance of our members' submissions, and (b) implement informal measures to improve our working relationship with building officials. Had we done these two simple things in a timely manner, the outcome for us might well have been different. I have no doubt we will now end up doing those things anyway.

If you don't have a competitive advantage, don't compete

I recall some years ago, when I worked briefly with the Canadian Labour Market and Productivity Council, being impressed by the mission of the United Brotherhood of Electrical Workers. Rather than simply being advocates for the self-interest of their members, as most trade unions were, they saw themselves as the suppliers of skilled, competent, reliable electricians to industry. They argued their members were worth the difference

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between union scale and the going rate for non-union electricians because they had received training on the latest tools, techniques, codes, standards and safety practices. In effect, they had defined a competitive advantage for their members and had taken steps to create, maintain and sell that advantage. I don't know how well they lived up to their promises, but it seemed to me to be a breakthrough idea at the time.

I know many professional engineers are unsympathetic to the concept and values of a trade union, but there is an analogy here. Like it or not, we licensed professionals are competing against unlicensed individuals and groups who contend that they can do what we do just as well, and maybe even

faster, better, or cheaper. And they have a large market that is ready and willing to accept, or at least test, their claims.

I'm an advocate of more aggressive enforcement by PEO of our exclusive right to practise (the "stick" approach), but also of putting more effort into defining and selling our value proposition (the "carrot" approach). At the end of the day, there should be a clear and readily identifiable competitive advantage to using a licensed professional to do engineering work. If there isn't, the engineering profession is in trouble.

In conclusion

When he took the reins of General Electric Corporation in 1981, Jack Welch inherited one of the richest and most disciplined corporate cultures in America. Yet he knew that his company could not stand on its reputation and past successes. It would have to make significant changes to survive and prosper into the next century. And so he initiated the bold, and sometimes painful, steps that were necessary to transform the industrial giant into a more nimble and competitive enterprise.

By the same token, Ontario's self-regulating engineering profession cannot rest on its laurels and past accomplishments and expect to survive another 80 years. PEO must be prepared to re-engineer its own corporate ethos and business proposition, retaining and protecting the core values that have served the people of Ontario so well, while at the same time renewing its business models and practices to meet the demands of a new century. Our challenge as professional engineers is nothing less than to redesign our own self-image, to move outside our comfort zone and embrace positive change.

If we fail to embrace that change, I fear our profession will slip into irrelevance along with its licence and its restricted scopes of practice. If we are prepared to meet it head on, I believe we can have confidence in the future of our great profession. ❦

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