

Kevin Hancock - Human Capital Innovations podcast

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So this is really all about flipping the script, to your point. That the old business model is really about the employee exists to serve the corporation, the employee is an asset of the corporation to be deployed. The new model, which is such a better fit for the 21st century, is the company exists to serve the people who work there. And if a company becomes exceptional at serving the people who work there, I guarantee you those people will make sure the company soars. So it's a really nuanced flip of the script. This will dramatically improve corporate performance, this approach to thinking differently about engaging employees. But that really becomes the outcome of a higher calling, which is honoring human beings as human beings at work. (15:43-16:55)

Our company is one of the oldest in America, it goes back to the 1840s. Just to put the power of an employee-centric approach and perspective, I'll share this, we ended up making more money in the last 10 years than we did from 1848-2012. And the company had done well enough to exist for over 150 years, but our performance in every category we measure just took off. And what's interesting is the performance of the company took off by making the people of the company, not the company, the first priority. It's very counterintuitive and yet so sensible. (18:41-19:36)

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John: Welcome to the Human Capital Innovations Podcast. In this HCI podcast episode, I talk with Kevin Hancock about employee-centric versus capital centric-organizations. Kevin Hancock, welcome to the Human Capital Innovation Podcast.

Kevin: John, hello. It's great to be with you.

01:09 **John:** It is great to be with you today. You're joining us from Maine, I'm south of Salt Lake City in Utah. Today we're going to be having a really nice conversation about employee-centric organizations, and really juxtaposing employee-centric approaches with capital-centric approaches and making the argument for why employee-centric is going to be better and drive better outcomes

across the board, both from a human perspective as well as from a bottom lines business case perspective for the organization.

I'll share your bio here in just a moment, but you're CEO of [Hancock Lumber](#) in Maine. So we'll also be talking about this from a bit of a unique perspective, and that is from a lumber corporation, which I think is also super interesting. And also one other kind of unique twist to the conversation today, in 2012 you were diagnosed with [spasmodic dysphonia](#), and I'll let you tell us a little bit more about that here in a few minutes. But that contributes to difficulty in communicating. And so I think that'll be interesting as we talk about your leadership and your role as CEO of Hancock Lumber and how you've navigated that and dealt with that over time.

As we get started, I wanted to share Kevin's full bio with everyone. Kevin Hancock is an award-winning author and speaker, the CEO of Hancock Lumber Company, one of the oldest and best-known family businesses in America. He is a recipient of the Ed Muskie Access to Justice Award, the Habitat for Humanity Spirit of Humanity Award, the Boy Scouts of America, Distinguished Citizen Award, and the Timber Processing Magazine Person of the Year Award.

Kevin is also a member of the Maine Indian Tribal State Commission, a frequent visitor to the [Pine Ridge Indian Reservation](#) in South Dakota. Kevin is an advocate of strengthening the voices of all individuals within a company or a community through listening, empowering, and shared leadership. Kevin is also the founder of [The Seventh Power](#), a nonprofit organization dedicated to advancing economic sovereignty for native communities across America.

What a tremendous background. It really is wonderful to have you back on the show. Anything else you would like to share with listeners by way of your background or personal context before we dive on further to the conversation today?

Kevin: No, that was lovely, John. Thank you.

03:20 **John:** Well, good. And maybe if you don't mind, maybe you can start with this spasmodic dysphonia element. Because I imagine that's a key part of your story as a leader. Tell us a little bit about what that is, how your diagnosis came about 10 years ago, and how that's impacted your leadership at Hancock Lumber.

Kevin: Yeah. So about a decade ago, right around the peak of the economic and housing mortgage market collapse, which was a very stressful time for our industry. I began quite suddenly to begin having trouble speaking when I talked. All the muscles in my throat would squeeze and contract. And suddenly speaking, which I always take it for granted and never thought about, was very difficult. And of course as a CEO, I hadn't thought about it until that moment, but really my voice was my primary tool at work, and suddenly I couldn't really use it. So I had to quite quickly come up with a different approach to leading and managing.

John: Can you describe for listeners what exactly spasmodic dysphonia is? And we might call it 'SD' for short, just for ease as we continue in the conversation.

Kevin: Sure. It's a very rare, neurological voice disorder that effects only speech with no known cause and no known cure. What essentially happens is your voice area muscles over fire when you go to talk, and it just can make it quite difficult. I've improved a lot since then. But at the time there was no way, for example John, I would have been able to do the show with you.

05:37 **John:** Yeah. And for anyone listening, I imagine you can tell that there's a little bit of a struggle in Kevin's voice. But Kevin, hands-off to you. I can also tell that over the last 10 years, you've put a lot of time and effort into regaining your voice and regaining your capacity to speak. And like you said, speaking is one of the major tools that leaders have when they're leading teams of people. And so maybe you could tell us a little bit about what you did initially, and now over time of course, you've been able to regain much of that capacity. But initially, especially you had to pivot and take on different approaches since you were having so much trouble.

Kevin: Yeah. When it's hard to talk, you quickly develop strategies for doing less of that. And mine was to answer a question with a question, thereby putting the responsibility for speaking right back on the other person. Now think about this in a leadership context at work, so people all the time would come up to me because I was and am the CEO of the company with a question or problem. And in the past, before my voice condition, I would give him an answer, a directive or instruction. But now what I started saying to protect my voice was simply this, "Gee, that is a good question. What do you think we should do about it?" And then he or she would tell me what they thought we should do. And I would then say to protect my voice and keep it simple, "That sounds good. Let's go do that."

Now, this is where the leadership epiphany kicked in. Having done that say several hundred exchanges, several hundred times, here is what struck me, John. People already knew what to do. They didn't actually need a top-down CEO direct management driven directive. What they really needed was the confidence and encouragement and safety and the culture of the company to trust their own voice and act on their own judgment. And that's when it started to hit me that maybe partial loss of my own voice, which I only previously ever thought of as a hindrance or a liability or quite literally a pain in the neck, was actually a gift and a blessing and an invitation to lead differently in a way that strengthens the voices of others. And that's what really got me originally into this idea of dispersed power, shared leadership, and an employee-centric company.

[00:08:40] **John:** Oh, I love all of that, Kevin. And hats off to you for having the humility to be able to learn that lesson. I think that many people who find themselves in senior executive and leadership ranks within organizations, aren't always known for being the most humble and willing to learn from those types of experiences. And there, it's kind of a caricature and certainly it's not always true, but you know, there's this caricature of executives who have kind of this puff out your chest for confidence and even areas about them. And what you're describing to me is at the heart of what we talk about when we refer to things like 'servant leadership'. If you have this mindset towards whatever my stuff is, my issue, the challenges that I'm facing, it's actually not about me, it's about my people. And your previous approach to just answering people's questions, trying to solve their problems for them, probably not intentionally, but inadvertently sucked the empowerment and motivation out of a lot of your people.

And now all of a sudden, you're navigating this new environment where literally you have a choice. You can either be just bitter and angry and take it out on your people. Or you can take a step back, reevaluate your leadership approach, reevaluate how you interact and exchange with your people, and take a new tactic, a new strategy that ultimately redefines you as a leader and allows you to empower your people, to help build their decision-making capacity and to really allow them to enhance their own creativity and to fulfill their potential. And that's really what's at the heart of this people-centric kind of a mentality and approach within organizations.

And that's something I also feel very strongly about. I think most people conceptually get it. And if they hear this conversation, they say, yeah, people are important. Yeah, we should value where people, either from a business case of it's just good dollars and cents, it makes sense to focus on and invest in our people and to support them so they can be successful and innovative and blah, blah, blah. And also from the human case of just like treat people with dignity and respect, treat them well, and do right by them. And they'll tend to do well for you. I think most people get that conceptually but

putting it into practice is hard, because we always just tend to fall back into our old patterns. And the systems and structures of most businesses are such that they tend to focus primarily on the different types and forms of emphasis for the organization. So this capital-centric, organizational approach, that's the predominant approach, even if a leader recognizes the need in the value of having a people-centric approach.

So I'm wondering, how do you disrupt sort of having a super rare neurological disorder, how can leaders proactively disrupt that kind of an approach that you had previously, which is super common? Like, that's how most executives, most leaders tend to lead. How do you disrupt that so you can shift away from not just talking about a people-centric approach, but actually leading as a people-centric leader?

Kevin: Great thought question. I think the first step is you got to be curious about different leadership models. If you're not curious about different leadership models, then it's not going to happen. That's step number one. So really, why might someone be curious about this first power model. I think the answer to that is, take a look at how the place of work is going for the people who work. And the truth is, it's not going great. You know, national surveys tell us from organizations like Gallop, that engagement at work in America runs around 33%. Like two out of three people, their job is not meaningful. It's just an economic exercise. And some will talk about the lost economic opportunity there. But what I really see, the human capacity waste that is just super unfortunate and totally unnecessary. People work for decades, and to have that experience not be meaningful, is just counterproductive to advancing humanity.

So this is really all about flipping the script, to your point. That the old business model is really about the employee exists to serve the corporation, the employee is an asset of the corporation to be deployed. The new model, which is such a better fit for the 21st century, is the company exists to serve the people who work there. And if a company becomes exceptional at serving the people who work there, I guarantee you those people will make sure the company soars. So it's a really nuanced flip of the script. This will dramatically improve corporate performance, this approach to thinking differently about engaging employees. But that really becomes the outcome of a higher calling, which is honoring human beings as human beings at work.

16:20 **John:** Yeah, well, very well said. And I'm wondering if you can walk us through your transformation as a leader has impacted your company. So clearly, there was a pretty dramatic shift in your approach, and largely driven in part by your condition. But over time, you have people respond to that. And I'm sure some responded well, others probably were a little bit uncomfortable. But over time, that's going to shift the culture. So tell us a little bit more about how this all played out at Hancock Lumber.

Kevin: Yeah, sure. We've been at it now for about a decade. So we really got very good empirical evidence across a company with over 600 employees and about 50 sites and Maine and New Hampshire. It took a few years really, because the old models of leadership and followership are so entrenched that it takes a while to get people to think differently about it. But really conceptually, once we were able to kind of flip the script, the company took off. Our engagement results are running in the 90's. So about 9 out of 10 people who work in our company will describe their experience as meaningful, engaging, beyond just a paycheck.

And performance of the company has soared. Our company is one of the oldest in America, goes back to the 1840s. Just to put the power of an employee-centric approach and perspective, I'll share this, we ended up making more money in the last 10 years than we did from 1848- 2012. And the company had done well enough to exist for over 150 years, but our performance in every category we measure

just took off. And what's interesting is the performance of the company took off by making the people of the company, not the company, the first priority. It's very counterintuitive and yet so sensible.

We all know in our lives, when we give of ourselves to others in a family or friendship setting, we feel like we get the most back in return. Well the same fundamental truth works in business as well. That fundamental truth or anywhere humans are gathered, it just hasn't been employed in a corporate business setting.

19:25. John: Yeah. Yeah. Very interesting. And I also need to note that, I don't know a lot about the lumber industry, I don't know really much of anything about your company. But what you're talking about in terms of these crazy high engagement levels, 9 out of 10 people, that's insane in comparative to the rest of the labor force, domestically and internationally. This is all happening in a lumber company, which I would at least off the top of my mind, maybe this is not a fair description, but I would mind it's heavily blue-collar labor, intensive work. And a lot of people would suggest that much of what we're talking about might work in a high-tech industry, it might work in sector kind of an organization, but not so much in something like a lumber company, or a factory, or those types of places. The truth is it can really have the same kind of an effect anywhere when you empower your people the way you were describing.

Kevin: Yes, totally. And people will then say, well, what is it actually that you do? It's really so simple. I would sum it up this way. It is all about within the company, simply meeting people where they're at and honoring them exactly as they are. One of my favorites thoughts is this one, 'nothing has to change for you to be amazing'. Now that's a simple thought, but it's so different than the way we historically manage. Management's always been about changing people, getting more out of telling them how they can be better. And the approach is really flipping that script. It's simply honoring people as they are. Because when people feel honored and whole, trusted, respected, valued, and heard, that's when they thrive. That's when they create their greatest creations.

So it's all about just that basic level of human engagement at work. We talk about what really changed in our company from a management perspective, is that we listen. And what we talk about today is that listening is for understanding, not judgment. When we're in a circle sharing and someone says something, makes a comment, my favorite response is simply this, "Thank you for sharing that." My old response, pre-voice condition, would have been to either affirm why that statement was right, or disaffirm it and essentially explain why it was wrong. And we've completely let go of that. There are 620 people that work in our company, there are 620 perspectives that define the company that isn't a single truth about who we are. The truth of who we are is what everybody in the company is experiencing. It's a symphony. And you want that symphony to be free. I call it the answer to the task. When people feel safe to say what they think, that's when you really get at the juice of how to improve a company.

John: I love that. Kevin, that's so interesting and I really appreciate it. Your experience and your perspective. The time has flown by. I'm going to need to let you go here in just a minute, but before we close, I wanted to give you a chance to share with listeners how they can get connected with you, find out more about your company, and then give us the final word on the topic.

Kevin: Sure. So I have a book out on this topic that I love to share it. It's titled, [The Seventh Power: One CEO's Journey Into the Business of Shared Leadership](#). You can find that on Amazon or BarnesandNoble.com. But I also have a web site dedicated to the topic we've been discussing today. And that website is www.thebusinessofsharedleadership.com, and you can reach me there.

And then my final thought today on subject we've been discussing would be Ghandi's iconic quote, "Become the change you wish to see in the world." I think management in the 21st century is about

looking inward and working on ourselves as cleaners, not on others, and becoming what it is we'd like to see.

John: Yeah, well said, I love that, Kevin. Thank you so much. It's been a pleasure talking with you today. I encourage listeners to reach out, get connected, find out more about what he can do for you. Check out his book. And as always, I hope everyone can stay healthy and safe, and that you can find meaning and purpose at work each and every day. And I hope you all have a great week.