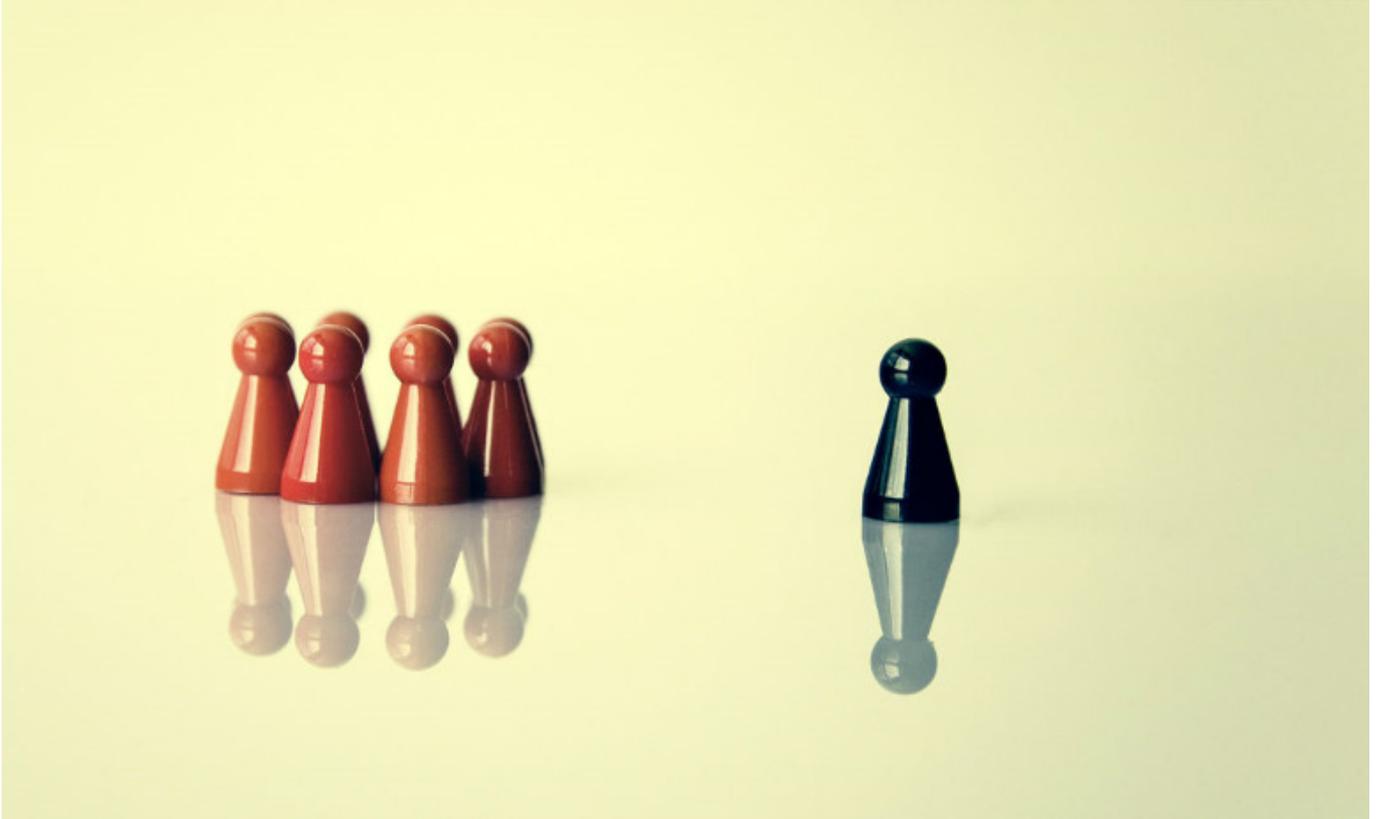


# `OUR PEOPLE ARE OUR GREATEST ASSET.` ERM... REALLY?!

Generation Procurement | by [Procurious HQ](#) on 14/04/2015 09:55 | [1 comment](#)



*This is a guest post by Sigi Osagie – Sigi is a leading expert on effectiveness in Procurement & Supply Chain Management. He helps organisations and individuals achieve enhanced performance growth to accomplish their business and career goals.*

A recent post by [Stephen Ashcroft](#) reminded me of a point I raised at a leadership round-table discussion a while ago. I smiled to myself as I remembered the looks on the faces of my co-panellists when I started talking about the ubiquitous phrase, “Our people are our greatest asset”.

It’s one of the most common statements found in company annual reports and regurgitated by many senior executives. Yet, as soon as those same companies hit financial difficulties their people are the first thing they jettison, typically through redundancies, plant closures, etc.

Strange. And interesting.

Why would you get rid of your “greatest asset” so readily in difficult times?

It's a bit like me being in a canoe on a river, paddling along merrily with my super-duper 4K-UHD TV and my wife, who I claim is my greatest asset\*. And then I discover that the canoe has a hole and is taking on water – we risk getting submerged and drowned with the weight the canoe is carrying. I need to reduce the weight quickly for any chance of survival!

What do I get rid of: my 4K-UHD TV or my wife? Hmm... she does weigh more than the TV... but she's my "greatest asset"...

Financial difficulties are often complex challenges for most organisations. And I'm sure quite a few resort to headcount reductions only as a last resort. But, perhaps, it'd be better for more companies to be more honest and say that their people are their "most dispensable assets".

Actions do speak louder than words. So if people are really companies' greatest assets, companies must demonstrate this not in words but in actions: let your corporate mandates and leadership actions show what you truly think of your people.

CPOs may not be the executives who make such "greatest asset" claims in company annual reports. But they face the same challenges of balancing ethical leadership sensibilities with the realities of organisational life. Procurement leaders at all levels must ponder key underlying questions, like;

- Are my people really my greatest asset in my Procurement function?
- How vital are my people to my personal success and the success of the enterprise, relative to other things like strategy, processes and systems?
- How do I show that I value my people and their contribution to our collective success in my everyday leadership style?

These may be difficult probes for some Procurement leaders to contend with. Others may feel confident and justified in their personal modus operandi. Whatever the case, it's a truism that most of us will spend the majority of our lifetime at work. So finding our mojo, or bringing out our best selves, in the work we do is a big part of our fulfilment and success.

Leaders have a unique role to play in helping people reveal their abilities to excel and succeed. This holds true for whole enterprises as for functional areas like Procurement. Yet, sadly, but in truth, majority of organisations don't do enough to expose and leverage the capabilities of their people.

When we manage Procurement functions, or any other organisations, in ways that don't release people's enthusiasm, energy, excitement, emotion, effort and expertise – what Charles Handy called the 'E' factors – we fail the individuals and we fail the organisation. An effective leadership approach that nurtures individuals' talents and provides opportunities to grow is one of the critical conduits to sustain the psychological contract between employee and employer. It's a vital mechanism to foster staff motivation and engagement, which, ultimately, fuel performance success.

Procurement organisations that are able to unlock the performance capabilities of their people are always places of great effervescence. They fizz with the collective passion of the purchasing people, the same people who do the work and deliver performance outcomes that enhance Procurement's enduring success.

People are indeed the greatest asset of any Procurement organisation. And their harnessed talent is the lifeblood of the function. But ask yourself this: Does our approach to managing our Procurement function bring out the best in our people?

## NOTES

\*In truth, my wife is not and never will be "my asset"; she's my co-pilot in life.

***We've identified Sigi as one of procurement's key influencers - he will be appearing at our inaugural Big Ideas Summit 2015 on 30 April in London. We hope you can join (digitally!) - catch all of the day's action [here](#) on Procurious and get access to exclusive interviews, video content and discussions. [RSVP](#) now and get ready to submit your questions.***