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The Leadership Report

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GROUP



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We have a listening problem...

I am absolutely convinced that if business leaders everywhere spent more time actively listening to their people and less time telling them what to do they'd see an exponential improvement in productivity.

A huge percentage (75% for starters?) of the performance improvements we create in companies comes from ideas generated inside our client companies. People driving forklifts. Selling the product. Running bakery ovens. Putting molecules together in a lab. Processing insurance claims. Designing packaging.

Ask Art

The legendary poultry processor, Frank Perdue, took me on a tour of his Salisbury, Maryland plant a number of years ago. As we were walking, he pointed to a man running a machine.

"That's Art," Frank said. "Art runs the eviscerating machine. Art knows his 25 square feet of space better than anyone in this company. So," Frank said, "when I want to know how to improve Art's 25 square feet of space, I ask Art."

But time after time we fail or forget to ask Art. We presume to have the answers. We tell people what to do. We forget that, as Owens Corning's Rick Copp says, "Our people are the experts." They've been doing the job every day for years. And over those years they've thought of hundreds of ways to make the job easier, faster, leaner. If someone would ask!

Think of the typical employee meeting. The leader talks to the people, then concludes with, "Are there any questions?" (Code for: "This is your opportunity to ask me--the one with the answers--whatever you want to know.") Ah yes, the omniscient leader with a bad case of executive arrogance.

Adult Conversations

It doesn't have to be that way. I worked with the former CEO of Hallmark Cards who used employee meetings to ask and to learn. He'd begin the meeting with a brief update on where the company was going and how it was doing—maybe 15 minutes worth. Then he'd ask if there was time for questions and the employees would nod their heads. He'd then proceed to pepper the group with questions that communicated his priorities:

- What are our customers saying about us?
- What do we need to do for our customers that we're not doing?
- What do I need to do or stop doing to help you realize your full potential — to be the best you can be? What's in your way?
- How can we be more creative?
- How can we get our costs down and make our processes faster?

He turned the meeting into a conversation, which treated the employees like adults. Instead of preaching, he was teaching and learning. Both are characteristics of great leaders.

Big Deal Problems

The way that CEO set the tone for his meetings established a cultural value of openness that spread throughout the company. People are expected to be open. They're expected to surface problems before they become big deal problems.

Every time I see or read about a company encountering a big deal problem, I instantly think about the person somewhere, someplace in the organization who knew full well that the problem existed but couldn't get anyone's attention before it became a big deal. Either no one asked or fear stopped someone from speaking the truth. Someone at some point could have prevented the problem from becoming a big deal. For example:

- I'm sure someone knew there was a beef problem before the USDA recalled 143 million pounds of it recently.
- Someone knew about the BP pipe network corrosion problem before it became a big deal.
- We all know that somewhere, some place at a drawing table or in a discussion of engineers, someone knew there were design flaws in Boston's Big Dig project.

Not only do people know where the bugs are, but they will tell you how big or small the problem is--plus or minus 10-15%.

Seeing Results

I was working with a group of employees in a manufacturing plant. They told me there was too much scrap. I asked how much was too much. "We're running at about 50% one front line operator said. Everyone around the table nodded their heads. "Does plant management know this," I asked. "They don't care as long as we're packing the pounds," another answered. "Get product out the door—that's all that matters."

In the weeks ahead, this group was able to cut scrap by 45%.

Folks in a huge distribution center told us a few months ago they could cut damage by half. They were WRONG. They cut it by 65%.

Aberrations? Not at all.

Business leaders who really listen can uncover hundreds of improvement opportunities that exist in the nooks and crannies of their operations. It doesn't cost a dime to mine the gems that hide in the minds of the people who do the work every day. You're already paying them. It's free money.

If you ask Art!