Jim Clemmer's *Leader Letter*

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I was just on a flight from Toronto to LaGuardia airport in New York City. Severe thunderstorms caused us to be diverted to nearby Newark, New Jersey. The captain kept us updated along the way. Once we'd landed in Newark he came into the cabin and asked who would like to get off here and travel into New York City (it was only a few minutes longer for most of us going to Manhattan). Almost everyone raised their hands.

Ah, but it was not that simple. U.S. customs and immigration does not allow a flight that's been cleared for one U.S. city to enter the country and land at another city. We might be able to move to another terminal to go back through customs/immigration or we'd have to wait for the weather to clear up at LaGuardia and fly there. For nearly three hours discussions and negotiations continued as our fate was being decided. During this whole time the captain **kept us updated with good-natured and humorous progress reports.**
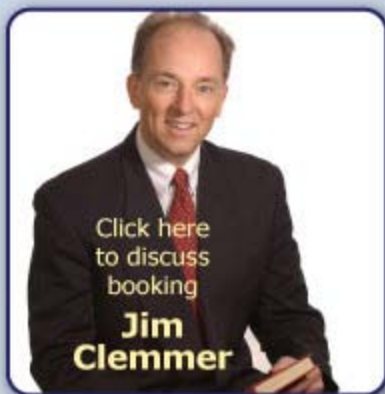
We finally flew to LaGuardia and landed just before midnight - nearly four hours behind schedule. There was **no grumbling or complaining among the passengers**. Our captain **treated us like valued customers -- like people -- and not "the cattle**

in the back" as with too many airline crews. His **leadership model set the tone for the rest of the flight attendants and lightened the mood throughout the plane.**

Having flown with this airline for decades, this pilot's very positive handling of a tough situation was pure chance. We won the leadership lottery on that trip. **I've also been at the "cattle in the back" end of the customer-cattle continuum** many times with this company.

This issue of *The Leader Letter* compiles last month's blogs into one publication. A series of them deal with customer service. **Consistent and reliably good customer service doesn't happen by chance. It's a direct result of strong leadership and a positive culture.**

A blog that was the most re-tweeted and generated more feedback than any other last month was reducing the generational nonsense and increasing leadership. **Let's stop the intergenerational psycho babble and look at what the research actually tells us on what <u>all generations</u> want from their leaders and organizations.**

The issue also looks at **lessons learned from, and a follow up to, my May 23 webcast on leadership and culture development for higher safety. Courageous conversations and effective team leadership are critical. And when it comes to vision, values, and mission -- well lived trumps well written every time.**

We also review **the reasons for -- and steps to overcoming -- the abysmal results that come from the vast majority of reorganizing and structuring craze so popular with so many senior managers during these topsy-turvy times.**

May you find a few leadership ideas to help you, your team, and your organization soar above the storms!

WANT TO IMPROVE CUSTOMER SERVICE? TREAT YOUR EMPLOYEES BETTER

This is the title of a recent report in the University of Pennsylvania newsletter, *Knowledge @ Wharton.* Part of the article reports on *"a recent study conducted by Marshall Fisher, a professor of operations and information management at Wharton, and other colleagues."* He goes on to show how one of the keys to improving customer service is:

"'the power of management by common sense.' **When companies treat employees fairly and with respect, they have more loyal staff and they attract more talented people.** He cites retailers such as Trader Joe's, Costco, and Nordstrom as examples. 'What underlies those companies is that they have a different labor model. **Staff and customer service are not a cost**; **staff is an asset you invest in.'**"

Jill Donnelly, vice president of Customer Service Experts, an Annapolis, Md.-based consultancy, adds:

> **"create a great employee experience so those employees can deliver a great customer experience.** Do workers have to jump through hoops to get a day off? Is HR doing all it can to support them? Are their paychecks coming on time? A company's service will be doing all it can to support them? Are their paychecks coming on time? A company's service will be successful when the processes, leadership, communication, and learning and development are all aligned to support the service standards and the employees who deliver on them."

Years ago the title of an article on customer service in the *Wall Street Journal* said it all: "Poorly Served Employees Serve Customers Just as Poorly." In the article, leadership author and consultant Robert Kelley explains the phenomenon this way: "Service providers **treat customers similar to the way they as employees are treated by management.** In many organizations, management treats employees as unvalued and unintelligent. The employees in turn convey the identical message to the customer."

Excellence guru, Tom Peters agrees wholeheartedly: "I can think of no company that has found a way to look after external customers while abusing internal customers. **The process of meeting customer needs begins internally."**

A large majority of successful customer service improvement efforts owe much of their success to effective employee engagement. **An engaged workforce not only implements changes more effectively, if properly guided and trained, they make better improvement decisions**. They are closer to the process and know from intimate personal experience -- not some theory or model -- what will work and what won't.

The separation of decision makers from those who will make the decision work is a major shortcoming of the traditional organizational approach. Excellence author and management consultant, Bob Waterman explains, **"Carrying out a decision doesn't start after the decision; it starts with the decision.** Figuring out how to get something done is just as important as deciding what to do." So why aren't employees more involved in decision making? Waterman

points to one of the reasons: "We are so busy grandstanding with 'crisp decisions' that we don't take the time to involve those who have to make the decisions work."

Back in the forties, Allan "Mogie" Morgensen found in his consulting work with General Electric and other large companies that it was possible to **increase the workforce's output by as much as *50 percent* by involving employees**. One of the basic principles underlying his successful consulting work was "the person doing the job knows far better than anyone else the best way of doing that job and therefore is the best person fitted to improve it."

Key reasons employee engagement works so well in improving customer service are **relevance and ownership**. With their experience and training, managers and staff professionals can be a valuable resource to frontline teams. But **improvements made by those who are using the process or system everyday are far more likely to be practical and relevant**. And when they've been involved in making the improvement decisions, **employees have a much higher degree of ownership for the customer service standards they have helped to set.**

How well are you serving the servers? How do you **know?**

AMERICAN EXPRESS BOOSTS CUSTOMER SERVICE WITH TRANSFORMED LEADERSHIP AND CULTURE

Just after writing my last blog on improving customer service by treating your employees better I came across an interview on Jim Bush, EVP of World Service, at American Express. **The new leadership approach** Jim describes Amex has used since he took charge of this role in 2005 **provides powerful data and examples of how leading a customer focused culture can have a major impact on organizational performance.** Since 2007 the S & P Financial Service Index of stock prices has dropped -- 50% while Amex's stock price has gained 13%!

One of the first things Amex did was **completely change their focus on their phone representatives** who are the frontline servers to Amex's main customers; cardholders and merchants. **Calling them "customer care professionals" they abandoned the old transaction, production line approach** that focused on getting the caller off the phone as quickly as possible and on to the next call. Instead of measuring call times, **Amex switched to using the Net Promoter Score (NPS)** developed by Fred Reichheld, author and Fellow at the management consultancy,

Bain & Company. **NPS is based on "the ultimate question" (one of his books): would you recommend this company to a friend?**

This change lead to Amex **overhauling its selection (they used to call it "hiring") process to find people with the right customer care attitude**. They also **revamped their training, leadership, and coaching approaches to help their customer care professionals build one-on-one relationships in solving customers' problems.**

Here are a few key highlights from Jim Bush's interview:

- "We field a survey annually and found that 7% of consumers feel they're getting good service; 93% are not getting the service they expect. It's an enormous void."
- We let the customer determine how much time they want to engage. That engagement drives value. We serve customers, not transactions.
- We've been able to show that increased satisfaction drives increased engagement with American Express products, and that drives shareholder value. Great service is great business.
- For a promoter who is positive on American Express, we see a 10% to 15% increase in spending and four to five times increased retention, both of which drive shareholder value. In fact our operating expenses associated with service have gone down because we're more streamlined, and we limit friction points and errors.
- In the past, 75% of it was on how, technically, you complete the transaction. Now it's on how you create the relationship and build it through humanity, conversation, and engagement.
- Giving our people freedom, boundary, and purpose, combined with holding them accountable, drives economic value."

To read the full interview click on *How Can American Express Help You?* I've written quite a lot about leadership, culture, and customer service. Click on articles and blog posts. You can also check out our workshop/retreat on "Leading a Customer-Centered Organization".

DELIGHTFUL DELL SERVICE SHOWS A REAL TURNAROUND

Sometimes it feels like our technology picks the toughest time to test us! I was on the Calgary leg of a road trip to Regina, Calgary, Seattle, and Anchorage a few weeks ago when my computer failed to boot up as I arrived at my hotel room that night. I live on this thing. I use it for e-mail, writing, reading e-books, magazines, and newsletters, accessing and maintaining our database, playing Scrabble and Solitaire, and making presentations.

While the blinking cursor on my blank screen taunted me I dialed the Dell support line with pounding heart. I was tired and frustrated and this was the last thing I needed that night. I wrote about my last experience with Dell last year in "Our Dell Dance to the 'Bureaucratic Boogie' Highlights a Common Service Breakdown". I was getting my dancing shoes as I sat on hold. But I was still lacing them up when Frank promptly answered the phone. We then began a long process of diagnosing the intermittent problem -- sometimes it worked and sometimes it didn't.

This was a very different experience than the last time. Dell has clearly switched directions and gone down a similar route to Amex (as reported in the above item). Frank's goal was not to get me off the phone as soon as possible. **He was there to solve the problem.** When he needed answers or to consult someone else he got my mobile number in case we were disconnected (we weren't) and stayed on the phone with me.

We were not able to diagnose or fix the problem on that call because I don't travel with my original installation disks. He was able to at least get the computer partially functioning and I needed to get to bed. After reaching Seattle the next morning, I talked to two more Dell reps as we got the computer functioning and downloaded a few software and system updates to see if they permanently fixed the problem or could better diagnose it.

We were narrowing it down, but before we were finished I had to catch my flight to Anchorage. While in my hotel room there, I talked to a fourth Dell rep. The problem was proving to be with the computer's motherboard and needed to be replaced. We arranged to have their onsite technician with a new motherboard at my office late Friday afternoon when I got back.

The technician waited until almost 5:00 PM on a Friday afternoon until I finally got to my office -- traffic was terrible -- and replaced the part. We turned it back on and watched the magic as everything worked -- even better and faster than before!

During my trip I dealt with four "customer care professionals" on the phone and one service technician at my office. **Everyone went out of their way to try and fix the problem**. There were update and follow-through e-mails along the way and a survey at the end. **One question was a Net Promoter Score question. The answer is clearly yes; I would recommend Dell (especially with their onsite repair warranty) to family, friends, associates -- and blog readers!**

WE NEED LESS GENERATIONAL NONSENSE AND MORE LEADERSHIP

There's a lot of mumbo jumbo being sold by "generational experts" that today's young workers are very different from previous generations and need to be managed differently. Clearly there are differences between groups of people who grew up in different times, circumstances, and cultures.

But **people are people**. And **what we're looking for from our work and in our workplaces is remarkably universal**. Jennifer Deal is a senior research scientist at the Center for Creative Leadership and author of *Retiring the Generation Gap.* For 12 years she's been studying *"the so-called generation gap through empirical research."* From analyzing 13,000 online surveys across for-profit, non-profit, and government organizations she's concluded that ***"stereotypes of millennials in the workplace are inconsistent at best and destructive at worst*."**

Drawing from her research, Jennifer published "[Five Millennial Myths](#)" in the Spring 2012 issue of *strategy+business* produced by booz&co:

> **Myth #1**
> ***Millennials don't want to be told what to do.***
>
> ***The Reality*** - they're actually more deferential to authority than baby boomers or Gen X.
>
> **Myth #2**
> ***Millennials lack organizational loyalty.***
>
> ***The Reality*** - they have the same level of commitment as previous generations. Young people of all generations change jobs more often. People at lower organizational levels always have slightly less commitment.

Myth #3
Millennials aren't interested in their work.

The Reality - they're just as intrinsically motivated as other generations. But they are turned off by doing boring work. They want meaningful and enjoyable work.

Myth #4
Millennials are motivated by perks and high pay.

The Reality - data from 5,000 people aged 22 - 80 found no generational differences on this issue. People of any generation at lower levels who are paid less are slighter more motivated by financial rewards than those at more senior levels.

Myth #5
Millennials want more work-life balance

The Reality - There's a slight bit of truth to this but it's related more to life stages such as having a young family.

Jennifer's findings are very consistent with other research **exposing the big holes in theories of workplace generational differences**. Associate management professor, industrial psychologist and behavior science researcher, David Sirota, has been collecting research on workforce attitudes and motivational factors since 1972. He reports:

> "There are certainly superficial differences, for instance, the way my children talk, the way I talk, the music they like. But with regard to the basic goals at work -- **the need to be treated fairly, the desire to have a sense of achievement and pride in your work, and the desire to have productive relations with your co-workers**, our claim based upon these data and lots of other data is there is no substantial difference. **People want to be proud of what they do, they want to receive recognition for what they do.** These are **the same for all generations**, for men and women, blacks, whites and Asians and so on all around the world."

ZengerFolkman's massive database of 200,000 multi-rater participants assessing 20,000 managers showed " … **no discernible conclusions indicating differences between baby boomers and the younger Gen-Xers, Gen-Yers, Millennials, or Nexters in this matter of how leaders inspire. It is cross-generational**."

Promises of "breakthroughs" in health, fitness, and diet "secrets" generates billions of dollars in the search for shortcuts defying the basic laws of physics such as calories consumed minus calories burned. **Far too many people are also searching for shortcuts or "secrets" to motivating today's workers.**

Jennifer Deal summarizes her finding:

> "Rather than trying to figure out what particular incentive or gimmick is going to make millennials more committed and less likely to leave, **focus on making sure they're fairly compensated**; **have interesting work to do**; **and have the opportunity to learn, develop, and advance ... create an organizational culture that support all employees regardless of when they were born.**"

That's called leadership. There aren't any shortcuts or secrets.

WHEN SMART AND FAST LEADERS LEAVE THEIR TEAMS BEHIND

I recently ran a [Moose-on-the-Table workshop](#) for a major division of a large company going through the wrenching change of a wholesale restructuring and totally refocusing their business. Our session centered on **fostering [Courageous Conversations](#) because their history of not addressing tough issues with each other was a major reason this division ran itself into a manufacturing quality and financial crisis. They were just too nice to each other.**

Part of our discussion with this management group was how **really bright people can come across as not wanting to hear other ideas**. A participant sent me an e-mail after the session asking for advice on how to change that:

> "I have often struggled because I tend to see things faster and more clearly than others. In projects where I am not the leader or where timing isn't insane this isn't insurmountable. I've learned to breathe, relax, and enjoy helping others to grasp what they don't see.
>
> But when I'm leading a team with really tight timelines, I get stressed and feel like I don't have time to go that slowly. I think I inadvertently send the message to my team that I don't want to hear their input. I do, but I wish they were able to grasp things faster.
>
> Any advice on how to keep making progress, but not make the team feel that they're left behind?"

He's asked an important leadership question. Unfortunately, there's no easy or clear answer without some type of diagnosis. The company will be running a feedback survey around their values later this month. That should provide some input from his team on this issue.

The really key point here is that **this leader has recognized his tendency under pressure. Awareness is a key first step in making any sort of behavior change.**

He's articulated a very common challenge for many team and project leaders. The reason people like him were promoted or put in charge of teams or projects is because of technical skills, experience, and/or ability to get things done. **Many project and team leaders are bright and quick with good intuition and a fast understanding of what needs to be done.**

But if the leader comes up with **strong solutions that aren't well supported by his or her team, implementation will sputter and often fail**. The leader is also **building co-dependence** on himself or herself **as the chief problem solver and crisis manager**. Increasingly, **the team will back off, looking to the bright leader for solutions**. This **weakens their own crisis/problem solving competence and confidence**.

A Menu of Leadership Approaches

Each situation and leader is different and needs a specific development or action plan. Here are a few approaches and resources I offered to this team/project leader:

- You might look for someone on your team who you'd feel comfortable **asking for their coaching or support of your leadership**. Discuss this issue with him or her and **ask for feedback on how you're coming across and the effect it's having on the team**.
- You may have fallen into **"the big speed trap."** Managers under stress who "feel like I don't have time to do that slowly" often **compound their problems by speeding up**. Read my past blog "[Another Study on Slowing Down to Speed Up](#)" for research on this huge problem and links to articles and blogs.
- You may need to be **clearer with your team about decision making.** Many groups trip over **confusion around whether and how decisions are made**. There are three basic ways along the **"3 C continuum"** for a team or group to make a decision:

    1. **Command** - made by the manager, project or team leader with little input from other team members
    2. **Consultative** - made by a smaller group, the manager, project or team leader after consulting others who have knowledge or who must be committed to the decision; and
    3. **Consensus** - made by the entire team as a group either through "majority rules" or unanimous agreement.

The further the team moves toward the consensus end of the continuum, the more buy-in or commitment there is to the decision. Decision-making time is longer. But implementation time and effectiveness dramatically improves. A **common source of frustration and conflict in teams is when the type of decision-making method being used is not clear to everyone at the outset of the discussion.**

Project or team leaders will often add to the problem by **leading what seems to be a consultative or even consensus discussion when he or she has already made up his or her mind**. This comes across as a "guess what I am thinking" exercise. Or it can look like the leader is trying to **manipulate the team** into the "right decision." Some less effective managers, project or team leaders with weak leadership skills will **intimidate team members into "forced consensus"** (an oxymoron) and leave the discussion genuinely believing that the team is united in the decision.

Some agenda items are for information and some are updates. But whenever decisions are needed, **avoid confusion -- and lots of frustration -- by ensuring everyone is clear about the type of decision-making process you're using.**

- Click on "Nine Leadership Behaviors to Build Commitment" for a look at what has the greatest impact on employee satisfaction and commitment.
- "Are You Using All Your Strength?" has four steps from London Business School professor, Gary Hamel, on building a team that shares more of the workload.
- "Use This Checklist for a Ten Point Management Team Check Up" for a review of your project/team leadership approaches.
- "Team Building Tips and Techniques" has a series of implementation suggestions and links to other team leadership resources.
- *The Inspiring Leader* is a very readable book full of practical ideas. Click on the title for my review and a few pointers from it.

Too often smart and fast team leaders dumb down and slow down their teams. Strong project and team leaders know that working *on* the team -- its dynamics and effectiveness -- is as vital as working *in* the team.

VISION, VALUES, AND MISSION: WELL LIVED TRUMPS WELL WRITTEN

In preparation for an offsite executive team retreat, the executive organizing the session sent me a draft of the mission and vision statements "we've been struggling with." She included earlier versions and iterations of each statement. She was especially frustrated and confused by the overlap of the two. She was looking for my help to "get it right."

This is a big trap. **There is no "right statement."** Vision, values, and mission statements have a wide variety of styles and approaches. What works best for an organization is **highly dependent on the culture the executive team wants to build and what steps company leaders are prepared to take in bringing all this to life.**

Way too many organizations **confuse debating and developing a vision, values, and mission statement with actually living them**. Read more about that in my blog post "Beware the Vision and Mission Statement Trap of Wordsmithing Hell".

We've developed **three key questions to cut through the wordsmithing and "vernacular engineering debate" on definitions of Vision, Values, and Purpose/Mission**. You can read about these at "Three Core Questions That Define Organizational Culture". We call this **Focus and Context. It's at the core of our leadership and organization development models** Transformation Pathways and Timeless Leadership Principles. You can read lots more on Focus and Context at Organizational Vision, Values, and Purpose blog posts and Vision, Values, and Purpose articles and book excerpts.

My *Leading a Peak Performance Culture* archived webcast **summarizes decades of our experiences and approaches to leadership and culture development**. Scroll down this page for links to more material on what's touched on in the webcast:

- Defining Culture and Its Impact
- Fatal Five Failure Factors
- Culture Transformation Pathways
- Key Implementation Steps

At the very bottom of this page is a follow up webinar on our leadership and culture development services. It's centered around our five Key Implementation Steps featuring a customized Executive Retreat as central to the whole process. The other steps are options before or after the retreat. The basic outline we customize from is at Management Team Retreats. The Retreat Agenda Menu there (point #4) provides an overview of the general flow and topic areas we'd customize further.

Part of the "proposed mission statement" this executive sent me looked like it had three core values embedded in it. And there did seem to be confusion between or with parts of the mission and vision statements.

This is not unusual. And it's exactly why **executive teams need to get offsite for a few days to hash out these issues**. **Too often executive teams delegate the crafting** of a carefully worded vision/values/mission statement to a sub-group or staff support professional. This is **a major mistake and misunderstanding of the entire process**.

Vision, values, and mission need to reflect the executive team's bone-deep beliefs, passions, and goals. That's why it's absolutely vital for the team to vigorously debate them. What kind of people do we want to hire, promote, reward, or fire? Ultimately it's behavior -- not words -- that establish an organization's culture.

Jack and Suzy Welch summarize it so powerfully in their pithy *Fortune* column [*Goldman Sachs and a Culture-Killing Lesson Being Ignored*](#):

> " *…* we're talking about a problem that exists well beyond the canyons of lower Manhattan. **'Values drift' is pervasive** in companies of every ilk, from sea to shining sea. **Employees either don't know their organization's values, or they know that practicing them is optional**. Either way the result is vulnerability to attack from inside and out, and rightly so *…* **if a company is going to be great, its values have to go way beyond just a catchy slogan."**

WE NEED TO APPLY QUALITY IMPROVEMENT LESSONS TO SAFETY

As I fine tuned my May 23 [Leadership and Culture Development for Higher Health and Safety](#) webcast presentation (see next story), I was reflecting on the **lessons learned from the quality movement and the widespread failure to apply those to workplace safety**. Starting in the late eighties and eventually morphing into Lean/Six Sigma, the quality movement completely revolutionized management thinking throughout much of the western world. That's led to exponential increases in quality and productivity -- especially in manufacturing, logistics, and other process industries.

My second book, [*Firing on All Cylinders: The Service/Quality System for High-Powered Corporate Performance*](#), was published in the early days

of the quality movement. Here's an excerpt that we need to re-examine in looking at current attitudes and approaches to workplace safety:

> *It's amazing how many managers still treat people like rechargeable batteries. They are consistently searching for bigger, better, and longer lasting ways to "keep our people motivated" or "get them charged up." "If we could just get them turned on to the need for improvement, we'd be all set." W. Edwards Deming (*an American statistician who was a giant force and guru in the quality movement) *not only considers what he calls "exhortations" useless, but finds they actually demotivate:* "Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force."

> *A study done by the American Society for Quality Control (*now ASQ) *found that the common exhortation to "do it right the first time" is, in fact, demotivating. ASQC says this "slogan … will backfire in America"* because it implies workers don't do it right now. Telling workers to "do it right the first time" *is too often just another manifestation of the underlying assumption that the reason they don't is lack of conscientiousness, care, or concern.*

> *There's no question that the more excited and energized employees are about improvement, the higher service/quality levels will go. But the real question is; why aren't they motivated? The answer is to be found in the day–to–day environment, not in short–term bursts of hype. While inspirational sessions can help kick off or revive a service/quality improvement drive, this approach has little lasting power on its own. All the best intentions and resolutions to do better will have only minor effects if skills, strategies, processes, structures, practices, and systems are weak.*

> ### *"Sloganeering" and Internal Marketing*

> *A great many organizations have fallen into internal marketing traps. They've developed slick internal campaigns with snappy slogans on buttons, posters, hats, T–shirts, coffee mugs, and so on. These have often been combined with convincing executive speeches, videos, kick–off rallies, newsletters, and the like, all aimed at urging, prodding, or inspiring front–line performers to improve.*

> *There is nothing wrong with solid internal marketing. In fact, the best service/quality providers are masters at it. There's a big problem, however, when marketing is too far ahead of real change in the culture, or it constitutes the majority of the improvement effort.*

Deming considers slogans to be just another form of exhortation. And just as deadly. Both come from the same deep-rooted assumption that the workforce creates most of the organization's service/quality problems. "What is wrong with posters and exhortations", *thunders Deming,* "(is that) they are directed at the wrong people. They arise from management's supposition that the production workers could, by putting their backs into their job, accomplish zero defects, improve quality, improve productivity, and all else that is desirable … in fact most of the trouble comes from the system."

This is exactly the problem with many of today's safety improvement efforts. We need to move from blaming workers for safety problems. The 85/15 Rule provides plenty of evidence that **errors or breakdowns in an organization -- such as "accidents" are caused primarily (85%) by the process, system, structure, or culture.**

For the sake of the many people being hurt and killed every day at work **let's learn the lessons from quality improvement and refocus our attention.** We must join the small (but growing group) of organizations with years and even decades of incident and injury free production. To paraphrase the famous 1982 PBS special that raised Deming's North American profile and incited the quality revolution, "if they can, we can too!"

ARCHIVED WEBCAST ON LEADERSHIP AND CULTURE FOR HEALTH AND SAFETY NOW AVAILABLE

Last week's 55 minute **archived webcast on *[Leadership and Culture Development for Higher Health and Safety](#)* is now available**. During the webcast I covered:

- Defining Culture
- Organizational Culture and Safety Performance
- Fatal Five Failure Factors
- Culture Transformation Pathways
- Key Implementation Steps

[Click here](#) to access the archived webcast.

Many of the models and approaches for this webcast that focused on health and safety are **drawn from our broader approaches to developing leadership and culture for transforming customer service, quality, productivity, cost**

effectiveness, and the like. There are two webcasts and a list of links to related blogs and articles on this vital topic at *Leading a Peak Performance Culture*. Scroll down this page for a second webcast that outlines The CLEMMER Group's services related either to the original webcast on leadership and culture or last week's applied to health and safety.

OVERCOMING THE ABYSMAL REORGANIZING AND RESTRUCTURING FAILURE RATES

To deal with all the tumultuous change swirling around us today **many executives rearrange their organizational structure**. This seems to be an especially favorite approach of a new executive taking over a division, department, or organization. It's almost routine when there's been a major organization financial failure or big public blunder.

But as with all organization change efforts the **failure rate is 50 - 70 percent**. A recent survey of 1,600 executives in 35 countries conducted by The Boston Consulting Group found that **over 90 percent of companies with more than 1,000 employees had recently changed their organization structure.**

Less than half were considered successful by the executives in a cross-analysis of quantitative performance data. The study's authors call this:

> **"an alarming statistic, and one with perilous implications.** Apart from the high costs and squandered opportunity, **a failed reorganization can leave an enterprise even worse off than it was before**, with lost productivity, a weakened market position, and a disengaged workforce, among other impacts."

BCG's study identified **six critical factors** that cause reorganization and restructuring efforts to succeed or fail:

- Synchronize Design with Strategy
- Clarify Roles and Responsibilities
- Deploy the Right Leaders and Capabilities
- Design Layer by Layer
- De-risk Execution
- Don't Wait for a Crisis

> "For organizations with only one success factor in place, the rate of success was 32 percent. But with each additional

factor, the success rate jumped proportionately; 88 percent of organizations that had five or more elements in place reported complete success."

This resonates very strongly with our Client experiences. What's **amazingly common and incredibly idiotic is how often senior executives impose reorganization and restructuring from the top down**. A major theme woven throughout this study is **the power of involving middle managers and key support staff in the change analysis, planning, and implementation process and cascading that throughout the organization.**

This all starts with the **fundamental premise that "form follows function."** Change slam-dunked from the top down often comes from **executives who don't have what the quality guru W. Edwards Deming called "profound knowledge" of how processes and systems currently work in their organization**. Effectively engaging middle managers and key support staff brings that forward. This can then be overlaid on the executives' vision, values-based culture, and change strategies. Now we can **collectively redesign the organization** so that we're **more likely to build the correct structure _and_ the critical ownership in making it work**.

This **spirit of participation and involvement** extends on through clarifying roles and responsibilities and designing the organization layer by layer. **Successful organizational change efforts don't _do it to_ people they _do it with_ people**. This springs from a deep underlying set of beliefs that **either values people as human beings and partners with them or sees people as "human capital" -- assets with skin to be moved around on organizational charts like pawns in a chess game.**

To read the BCG study go to [Flipping the Odds for Successful Reorganization](#). As the authors conclude:

> "Reorganization should not be viewed as an ad hoc endeavor, but rather as **part of the continuous process of transformation -- of constant improvement, innovation, and adaptation -- that every enterprise must engage in**. At a time when unceasing volatility and accelerating competitive forces have become the new normal, **reorganization will, by necessity, become more frequent, more fundamental, and faster.**"

It's all about leadership and culture. Once again, the "soft skills" determine hard results.

TWEET READING: RECOMMENDED ONLINE RESOURCES

This section summarizes last month's LinkedIn Updates and Twitter Tweets about online articles or blog posts that I've flagged as worth reading. These are usually posted on weekends when I am doing much of my reading for research, learning, or leisure.

My original tweet commenting on the article precedes each title and descriptor from the original source:

A good summary of the values at the very core of highly effective leaders and peak performance cultures.

"Management Secrets: Core Beliefs of Great Bosses" -- Geoffrey James
www.inc.com

"The best managers have a fundamentally different understanding of workplace, company, and team dynamics. See what they get right."

We often get away from the basics of leadership and personal development. Here's a very useful checklist for a check up.

"Life Lessons From Benjamin Franklin" -- Thea Easterby
www.businessinsider.com

"Self-development was a constant endeavor throughout his incredible life. Benjamin Franklin was clearly a man who knew how to get things done."

Many managers declare open door policies and think they're approachable. The barriers to productive debate and real conversations are subtle.

"The High Cost of Executive Bullying" -- Susan Lucia Annunzio, *Chief Executive Magazine*
www.chiefexecutive.net

"Bullies may 'shoot the messenger,' punishing those who deliver unwanted news. More common, however, is for executive bullies to flaunt their power by summarily dismissing ideas or warnings they don't want to hear."

Timely pointers as I head to NYC for the Zenger Folkman Extraordinary Leadership workshop built around their 360 strengths-based process.

"How to Get Feedback When You're the Boss" -- Amy Gallo - Best Practices
http://blogs.hbr.org

"Without input, your development will suffer, you may become isolated, and you're likely to miss out on hearing some great ideas. So, what can you do to get people to tell you what you may not want to hear?"

Summaries of a few of the key ingredients in building and sustaining a peak performance culture that's built to last.

8 Rules For Creating A Passionate Work Culture" -- Paul Alofs, *Fast Company*
www.fastcompany.com

"For the long-term viability of any enterprise, Ken Thomson understood that you needed a viable corporate culture. It, too, had to be long-term. So he cultivated good people and kept them."

READ *THE LEADER LETTER* IN TWICE WEEKLY INSTALLMENTS

The **items in each month's issue of *The Leader Letter* are first published in my twice weekly** blog **during the previous month.**

If you read each blog post (or issue of *The Leader Letter*) as it's published **over twelve months you'll have read the equivalent of one of my books**. And you'll pick up a few practical leadership tips that help you use time more strategically and tame your E-Beast!

FEEDBACK AND FOLLOW-UP

I am always delighted to hear from readers of *The Leader Letter* with feedback, reflections, suggestions, or differing points of view. Nobody is ever identified in *The Leader Letter* without their permission. I am also happy to explore customized, in-house adaptations of any of my material for your team or organization. Drop me an e-mail at Jim.Clemmer@Clemmer.net or connect with me on LinkedIn, Twitter, FaceBook, or my blog!

Keep learning, laughing, loving, and leading - living life just for the L of it!!

Jim