Pro Work The Blem

How Experts Tackle Workplace Challenges

Kathryn Stafford
Work the Problem
How Experts Tackle Workplace Challenges
Kathryn Stafford
To everyone stuck, panicked, or myopic,
who yearns to be strategic
CONTENTS

Foreword by Bruce Tulgan ............................................................... vii
Acknowledgments ........................................................................ xi
Introduction .................................................................................... xiii

<table>
<thead>
<tr>
<th></th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Family Fade-Out</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Joe Willmore</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Ben Locwin</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>“Did You Read the Memo?”</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Tom Kaiden</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Alan De Back</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Driving the Bus</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Vivian Blade</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Alan De Back</td>
<td>44</td>
</tr>
<tr>
<td>4</td>
<td>“All My People Are Great”</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Christopher D. Adams</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Sharlyn Lauby</td>
<td>56</td>
</tr>
<tr>
<td>5</td>
<td>No Room at the Top</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Tom Kaiden</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Vivian Blade</td>
<td>68</td>
</tr>
<tr>
<td>6</td>
<td>Spread Thin in the Middle-Management Sandwich</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Rick Rittmaster</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Ben Locwin</td>
<td>85</td>
</tr>
<tr>
<td>7</td>
<td>“It Couldn’t Happen Here”</td>
<td>89</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Joe Willmore</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Glen B. Earl</td>
<td>98</td>
</tr>
<tr>
<td>8</td>
<td>“We’ve Always Been Fine”</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>Take 1 by Alan De Back</td>
<td>107</td>
</tr>
<tr>
<td></td>
<td>Take 2 by Rick Rittmaster</td>
<td>110</td>
</tr>
<tr>
<td>9</td>
<td>A New College Director Sees Only Faculty Myopia ..........115</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Take 1 by Christopher D. Adams</em> .................................. 120</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Take 2 by Sharlyn Lauby</em> ........................................ 124</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Maneuvering the New Healthcare .......................................127</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Take 1 by Ben Locwin</em> ............................................. 132</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Take 2 by Glen B. Earl</em> ............................................. 135</td>
<td></td>
</tr>
</tbody>
</table>

References and Resources .................................................................. 139
About the Contributors .......................................................................... 147
About the Author ................................................................................. 151
In today’s world of work, increasingly complex organizational and management structures make being an employee and a manager harder than ever. We’re highly interconnected, fiercely competitive, knowledge driven, and global. The markets are chaotic, resource needs are unpredictable, and we are geared for constant change. As a result, employers must be lean and flexible to survive. Employees, in turn, are less likely to trust the system to take care of them over time, and thus less likely to make immediate sacrifices in exchange for promises of long-term rewards. They are more likely to disagree openly with their employers’ missions, policies, and decisions, and challenge employment conditions and established reward systems.

Traditional sources of authority are also being steadily supplanted by new ones. Seniority, age, rank, and established practice are diminishing. Organization charts are flatter; layers of management have been removed. Reporting relationships are more temporary; more employees are being managed by short-term project leaders instead of “organization-chart” managers. More transactional forms of authority are also on the rise, such as control of resources, control of rewards, and control of work conditions. Employees look to their immediate supervisors to meet their basic needs and expectations, and freely make demands of their managers. Managers who cannot meet these needs have less and less authority in the eyes of their direct reports.

Meanwhile, most middle managers, like everybody else, have more tasks and responsibilities of their own, along with more administrative duties. In addition, managerial spans of control—the number of employees officially reporting to each supervisor—have increased, and managers are also more likely to manage remote employees. The
breadth and complexity of the work being done by the employees reporting to each manager has probably also expanded.

Most people would rather work in effective organizations with outstanding managers. Organizations that consistently deliver the highest quality and service develop their employees and have clear lines of communication up, down, and across the organization. People want to work for organizations with clear missions, goals, and reporting relationships and flawless processes. Unfortunately, finding that is much harder than ever before, and it’s getting harder every day.

The 10 case studies in this book offer a look into the sort of complex and interwoven challenges that people face in the workplace today. Much like a business school intensive seminar, Work the Problem applies the classic case study pedagogy to the challenges of workplace dynamics. Grounded in very real-world scenarios, the case study method allows the reader to contemplate 10 different sets of circumstances, each with its own issues, cast of characters, and range of perspectives. The cases deal with such a range of issues—corporate culture, organizational structure, market shifts, technology, change leadership, chain of command, authority and accountability, communication, performance management, and career paths—that they become relevant to anyone.

While they find themselves in a wide range of positions in a number of different organizations, the key players in each case study are stuck in the middle of a number of stakeholders—their manager and those they manage as well as various other constituents—trying to negotiate their competing needs and expectations. Most of us would rather avoid these types of conflicts. In the old long-term hierarchical model (the pyramid organization chart), followers took for granted their managers’ authority and the authority of the employer. As a result, followers were more likely to figure out what to do, and do it, making lots of mistakes along the way, no doubt. But there was more room back then for waste and inefficiency. Not anymore.

These case studies provide so much food for thought, like a shortcut to real workplace experience. Because they are so realistic, there are no 100 percent correct answers and no easy solutions. This is evident
in the two commentaries from industry experts following each case study. The nine commentators offer analysis and recommendations in response to the challenges raised in the different scenarios—they’re like a professor’s input on the case, helping the student understand what’s really going on, while also providing a framework for how one might begin approaching such a challenge in the real world.

Work the Problem is for those of us in organizations that aren’t perfect but that we need to work within to navigate and affect change from the middle, and for those who need to become better skilled so we can find and support those organizations that more closely approach our ideal.

—Bruce Tulgan
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ACKNOWLEDGMENTS

To the many creative, smart, caring, talented, deserving, ambitious, thwarted, frustrated, exhausted, reflective, funny, generous, and, most of all, hard-working people who shared their work-life stories with me—thank you for your time, patience, interest in the project, and anonymity. My hope is that you don’t recognize yourselves at all in the following pages, but at the same time you feel vindicated and supported by the commentaries.

Thank you to Sue Kaiden, former ATD Career Development Community of Practice manager, who partnered in guiding this book forward and developing its commentaries. Every subject matter expert appearing here was her inspired choice, and from the start, her interest and energy gave the book project a form, structure, and purpose when my own sense of those things sometimes flagged.

I’ve bent the ears of numerous ATD colleagues over the last couple years, and am grateful to Jack Harlow, Melissa Jones, Caroline Coppel, Kris Luecker, and Christian Green for their editorial guidance, abiding interest, and enthusiasm. Courtney Cornelius and Hannah Sternberg offered fresh and expert eyes. Ryan Changcoco also gave helpful and insightful feedback.

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Jeff Crespi, daily work whisperer, thank you for insightfully working all problems.
“Work the problem.” It’s a phrase I often heard growing up, and I always believed it was specific to engineering. I was an aeronautical engineer’s daughter, so this made sense. I knew how my father used it—when I didn’t understand how two variables worked in trigonometry and the broken pencils were gathering under the dining room table at my feet (why was I taking trig anyway? I wanted to be an English major!), my father would say, “Just work the problem!”

It was a frustrating thing to hear because it suggested that solutions were simply lying under the surface, just beyond my attention. If I could truly see them, if I could calm my mind and focus, I could . . . work the problem.

This was also the advice my brother’s high school chemistry teacher would give. “The information is always there,” my brother remembers him saying. “But sometimes it is hidden or not relevant. Read the problem. Read it again. Work the problem, people.”

I didn’t know then how people beyond the scientists of my youth used this phrase in their daily lives, or if they even did. But today, working the problem is a concept we all understand in our organizations and in our working lives. And, it has inspired this book. How do we manage difficult problems at work? When things become difficult, do we have the resources we need to work the problem? And more important, how do talent development professionals respond? What do subject matter experts say?

For example, imagine you are in this webcast audience:

The new book author guesting on workplace innovation has just finished her presentation and is getting
ready to take questions. She is energetic and compelling, discussing how to implement the drivers of innovation into the office, work with teams to be creative and productive, encourage bosses to allow ideas to flow, and hire people who love what they do.

When the first question comes—it seems inevitable, really.

“What if everyone but your boss is on board? What do you do if your boss is the obstacle to the innovation you and others envision? My manager is the problem. What do I do?”

You hear the author emit a groan, a grunt of familiarity, even empathy, before capitulating. Without hesitation she replies: “I’d quit.”

Then silence.

Grudgingly, you admit that you can understand her response. In fact, it’s supported by data. Gallup has long reported that people leave jobs because of their managers. And a 2013 Accenture study showed that while many employees would like to innovate, they aren’t supported from above. In addition, the majority of company leaders responding to a 2016 global survey by the O.C. Tanner Institute reported that while they had the encouragement, time, and resources to do their work or innovate, less than half of their employees said the same. Employee engagement is at record low numbers, but the engagement numbers for managers aren’t much higher.

So, when thinking about how I’d respond to that caller, I began to ask myself, “What would you do?”

That question ultimately led to virtual conversations with nine subject matter experts about what they would do when faced with seemingly intractable problems beyond their control. I sent them stories I’d written—fictionalized case studies—and asked them the questions we all want the answers to: “If this were your job, and if this were your problem, what would you do? How would you work the problem? Or
would you quit?” Their answers were many, varied, entertaining, and so well informed. The whole process heartened me, and I hope it does the same for you to see how many ways exist to work our problems.

*Work the Problem* is for anyone who has ever encountered workplace problems and sought expert advice or solutions to broaden their understanding of their own predicaments.

**How It’s Organized**

Each fictionalized case study in this book is based on interviews I conducted with a variety of anonymous sources, supported by research and statistical data. Each case study is then followed by commentary from two subject matter experts drawn from the following—Christopher Adams, Vivian Blade, Alan De Back, Glen Earl, Tom Kaiden, Sharlyn Lauby, Ben Locwin, Rick Rittmaster, and Joe Willmore.

As you read this book, you will see that a key focus is managers in the middle. The goal was to present situations in which managers needed to navigate and influence change or manage their situation “up.” This is a particularly valuable perspective because most leadership books talk about what CEOs and senior leaders should do, but don’t necessarily talk about it from the perspective of people in the middle.

Here’s a closer look at each chapter:

• Case Study 1: Family Fade-Out—Faced with market changes, a once-successful family-owned electric light products business is struggling, and its inexperienced though tech-savvy manager of operations meets resistance in the warehouse.

• Case Study 2: “Did You Read the Memo?”—Changes at a once-respected foundation under new leadership are creating problems for its top fundraiser.

• Case Study 3: Driving the Bus—A woman software engineer manager at a tech start-up is facing challenges.

• Case Study 4: “All My People Are Great”—A longtime tech manager in a global corporation is feeling pinched by HR.

• Case Study 5: No Room at the Top—A Millennial editor is overworked and frustrated by the lack of transparency and room for promotion at a small media company.
• Case Study 6: Spread Thin in the Middle-Management Sandwich—A marketing director in a city with tourism growth possibilities is caught between a micromanaging CEO and direct reports who are juggling excessive responsibilities.

• Case Study 7: “It Couldn’t Happen Here”—A longtime successful bank branch manager is forced to make some choices when her staff is poached by a rival branch.

• Case Study 8: “We’ve Always Been Fine”—A third-generation family hotel is struggling in the modern hospitality world.

• Case Study 9: A New College Director Sees Only Faculty Myopia—A young director gets the job of his dreams, but finds himself rudderless and without authority.

• Case Study 10: Maneuvering the New Healthcare—A patient care representative tries to manage disruptions at her workplace while staying true to her profession’s wellness ideals.
“Fire all the managers,” said Sam Winston as he walked into the CEO’s office. That was all Theo Paine heard before CEO E.B. Callaway quickly shut the office door. The occasion was Sam’s going-away party, and the CEO had a habit of collaring favored longtime employees at such events and cajoling them to answer: “If you ran the warehouse, what would you do?”

But as operations manager, Theo Paine did run the warehouse—and he had to hand it to Callaway; once people were out the door, or shown it, the CEO had a sudden flair for candor.
Lightgate Supplies had recruited Theo to be its new operations manager only a few months ago. It was a job, Theo thought, he was too young for at age 30. Nevertheless, it was a position he aspired to and could hardly refuse. As a college student, he had worked in the Lightgate warehouse during summer breaks, and was a well-regarded employee. Mixing easily with the full-time warehouse staff, he was relied on by supervisors and workers alike. Theo studied information technology in college and was intrigued by supply chain dynamics. After getting an A+ certification, he served a couple stints as a tech on organizational help desks while considering whether to pursue a manufacturing tech management program. Then he got the call about Lightgate. Theo knew the company wasn’t state of the art by any means, but it was a place where he thought he could get the supply chain experience he desired, and even try to make Lightgate’s glacial product distribution processes a little more high tech.

But there were problems at Lightgate of which Theo was unaware when he came on board. In the last four years, a series of operations managers had come and gone—the last one, who had been popular on the warehouse floor, had left suddenly when sales on the new product lines wouldn’t budge. The CEO hadn’t been able to persuade either of his top candidates to take the job, despite salary offerings he knew were competitive. Word was out that Lightgate, which once had been a small yet reliable industry star, was lagging behind its competitors and scrambling to hold position.

**Lightgate Supplies**

Lightgate Supplies, a U.S. company headquartered in suburban Maryland, was founded in 1884 by Cyrus Callaway, a banker, and his son, Daniel, an engineer. Over the early 20th century, the company became one of the largest lighting manufacturers and suppliers of carbon filament lamps in the region. Eventually, the Callaway family separated out the more profitable lighting manufacturing division from the supply and distribution company and sold it to a larger manufacturing enterprise. During recent decades, Lightgate focused on lighting
solutions for retail, office, and the home, as well as establishing two stores to sell the lighting products in its central distribution warehouse. The company recently reported an annual revenue of $20 million and currently employs 50 people in its two stores and warehouse.

Lightgate’s primary customers are contractors for the building trades who prefer face-to-face contact with their suppliers, although the percentage of online sales has been increasing steadily over the past decade. The Lightgate brand is one of the oldest in lighting supply on the East Coast, and similar companies are challenged to compete with its prestige. Its mission statement, “Using the best technologies to meet the toughest challenges, we make the future brighter,” highlights the company’s enduring commitment to excellence and innovation.

However, with the recent shift from incandescent bulbs to LEDs, the lighting industry has been undergoing dramatic changes akin to the first lighting revolution Thomas Edison sparked well over a century ago. The landscape for competitors is changing overnight because of this new technology. Replacement bulb sales are becoming a thing of the past, and intersystem communication is the future—not just smart bulbs, but smart systems that are interconnected and lighting-based. Because LEDs are smaller, last longer, and use less energy, they create more product options, diverse design systems, and ways to stock appliances. Lighting companies are increasingly joining up with IT to create smart solutions for a variety of uses, which also opens up more options for service contracts.

It’s uncertain if a company like Lightgate, founded in the 19th century on old technology, can adapt and thrive in this new atmosphere.

**Wanted: Stability in the Warehouse**

As Callaway read the latest quarterly report, he sighed. It was bad, and the CEO knew there would be increasing pressure from the board to cut costs, freeze expenditures, maybe even lay off employees or close a store. How could he continue to be positive about the prospects of the company he led, yet candid about its situation?
He was searching for yet another operations manager, and no one would take the job, despite competitive offers. Then Theo Paine’s resume, along with his thoughtful letter, were brought to his attention. Callaway remembered him as a people person, who had both the smarts to understand the product lines and the ability to chat up contractors and salespeople alike. He knew that Theo understood the insular warehouse culture, thanks to his time as a summer worker, and believed that he could persuade the crew to work more efficiently and effectively. That Theo was young—and unlikely to push him on salary—wasn’t lost on Callaway either.

During the interview, Theo impressed Callaway with his easy, conversational knowledge of new product lines that were proving difficult to move, even suggesting sales force training and some off-sites for store personnel. Here was a young man, thought the CEO, with great business instincts.

Callaway wanted his new operations manager to “stabilize things down there” in the warehouse. He knew that employee turnover was high, morale and pay were low, and product damage was a growing problem. And he believed that young Theo Paine, whose first job was on Lightgate’s warehouse floor, just might be the perfect person to fix the company’s problems.

**High Turnover, Low Morale**

Theo had been optimistic during his first few months as Lightgate’s operations manager, despite his inexperience. He fondly remembered the warehouse managers—Evie Marshall, who supervised the staff and ran HR, and Gabe Earnest, who was in charge of inventory, security, and safety—from his earlier stint at the company. Both had been at Lightgate for nearly two decades, and Theo hoped to rely on them for support and institutional knowledge while he got up to speed on the warehouse operations. And, as he kept reminding himself, Evie and Gabe, for better or worse, had been members of the adult working world much longer than he. They were pros and knew the ropes. He didn’t expect any resistance. Rather, Theo intended to focus on the
20 or so full-time warehouse workers—those who did the lift driving, picking, packing, receiving, and stocking. They were the heart of the operation, and their morale and retention were key.

As Theo walked the warehouse floor, he immediately noticed that many things had changed since his first stint at Lightgate. The water-coolers had been moved from the warehouse floor to the break room. Security cameras had been installed, although they’d been placed in the main area where the trucks came in and were easy to avoid. He saw that the hoodies everyone seemed to prefer, while warm in the cold warehouse, blocked the workers’ peripheral vision. He also couldn’t find any ergonomic tools or aids. More alarming, no one wore safety shoes, and not only were work gloves rarely worn, they were no longer issued.

Theo learned that, in a cost-cutting measure, Gabe had “temporarily” eliminated the safety bonuses, line per hour bonuses, and damage bonuses. The incentives he had introduced in their place, many workers complained, were out of reach. What’s more, the monthly safety lunches, which Theo fondly recalled, were a thing of the past—few current staff even remembered them. There also hadn’t been a company-sponsored family picnic day in five years.

The warehouse workers were assigned to two overlapping shifts: the first from 6 a.m. to 2 p.m., and the second starting at 11 a.m. and ending at 7 p.m. or until the trucks were unloaded. The bulk of the damages seemed to occur in the later hours. Some mornings Theo would come in to find baskets of broken and damaged light fixtures and systems, as if someone were quietly vandalizing products overnight, then carefully collecting and counting them. The whole anonymity of it was wearing on Theo. He believed the only way to solve his problem was to work alongside the employees during those busy times, so he could watch the forklift speeds, the sharp corners taken, and the overloaded pallets. If necessary, he could retrain on the spot.

But Theo couldn’t be everywhere, and damages continued to happen. He wondered if changing the shifts to create a gap in between would help. Was the overlap creating chaos from warehouse crowding? Maybe a gap between shifts would allow time for catching up, cleaning
up, and maintenance. And there could be other contributing factors. For example, was the warehouse layout logical? Product bins were arranged throughout the warehouse floor, but the challenge of finding and locating items in a place the size of four football fields was greater for new workers who weren’t familiar with the inventory. Bottlenecks and slowdowns were common, and products were misplaced and misfiled all the time. Theo thought that better naming conventions would help the less experienced workers. He also noticed that faster-moving products weren’t always placed near the best picking lanes—could something be done about that? Perhaps if he organized each shift into smaller groups to assign them to specific areas of concern. But that would take more staff than he currently had, wouldn’t it?

One of the first things Theo did as operations manager was institute a smartphone policy. It seemed obvious to him that phones on the floor led to distracted employees, broken products, and personnel injuries. In fact, he was surprised that Evie Marshall hadn’t insisted workers leave their phones in their lockers and check them only when they left the floor during breaks and lunch. However, this new policy was difficult for him to enforce when the warehouse managers kept their personal phones in plain sight despite the new policy; he heard their melodic ringtones throughout the day.

New employee orientation was Evie’s domain, but when Theo observed that there was no training beyond what everyone received for safe forklift operation, he created a module on safe warehouse operations. Unfortunately, the steady stream of new workers and truck deliveries backing up in the yard forced him to put the training on hold. When Theo asked Evie why she wasn’t supporting his module, she explained that she always waited for new employees to pass a six-month probationary period before investing in “costly, time-consuming training.” In response, Theo thought about assigning an experienced worker to take over the training or trying to pair new workers with veterans, but first he had to identify workers who could act as mentors. There weren’t many veterans, as the average tenure for a warehouse worker these days was three to four months, and Evie interviewed daily.
“I’d get suspended for the way they behave.”

Sam Winston was one of Lightgate’s few remaining longtime employees. Theo remembered him from his college days, regaling the crew with hunting stories from his Maine boyhood or his stint in the U.S. Air Force. He’d once been a floor supervisor at one of the big box stores, but said he tired of all the forced overtime. He was a grandfather now, and weekends were for his family, he’d say; let the younger generations do the extra shifts.

All the workers, new and old, respected Sam, so Theo thought that enlisting his help in training and orientation would be the way to go. Sam knew compliance and how to be safe on the job. He also understood and cared for the product lines. But when Theo asked Sam for his help, the older man balked.

“It would have to be for a significant raise in pay,” Sam said. “Do you know what the new guys—half my age—are getting? It’s criminal.”

“I can try to do something about that,” Theo replied. “We can help each other here.” He knew that Evie, eager to attract more experienced applicants, had increased the starting wage for new warehouse workers, so loyal longtimers like Sam were barely earning more than the rookies.

“You always seemed like a nice kid,” Sam said, “but you’re out of your league, son. Those other so-called managers—Evie and Gabe—I’d get suspended for the way they behave. They don’t walk the floor, don’t follow their own safety regulations, and they fire people at the drop of a hat.”

Theo remembered Sam as a company leader, smart, outspoken, hardworking. But when he went to talk to Evie about Sam’s position, she told him that Sam would bicker with her over floor regulations, and that once she’d had to send him home for arguing with her.

“That’s crazy, Evie,” Theo said. “We all lose when people get suspended like that. Sounds like high school!” Then he bit his tongue, but it was too late. Evie was careful around Theo after that.
“It feels like a jungle.”

Theo started each day on the warehouse floor with the first shift. These were the more experienced workers, the core whom he expected to set the tone for the day—unpacking delivery trucks as they arrived, putting away stock, pulling store orders, wrapping and piling pallets, flying around on their forklifts, and scanning as many lines an hour as they could manage. Chaos, then silence.

The second, less experienced shift was larger, younger, and noisier. While their supervisors were on the premises until the trucks were emptied and the shifts ended, no matter how late, they never ventured into the warehouse. At first Theo stayed, too, hoping that the 12- and 14-hour days would not become custom, but they soon did.

Gabe told Theo that he shouldn’t work on the warehouse floor with the shift employees; instead, he needed to “find a way to manage without mixing it up, to keep respect.” Gabe also prided himself on being a safety specialist, subscribing to all the current publications on warehouse best practices. He knew OSHA regulations and distributed the agency’s pocket guides on worker safety to each new employee. As they talked in Gabe’s office, Theo could see the OSHA guides in an open box on the floor. On the wall behind the desk were two gilt-framed awards and a faded photograph of Gabe and the CEO shaking hands in the middle of a concrete field 20 years ago.

“I think you’re wrong about the importance of training,” Gabe continued. “I never received any training on the job, but I’ve stayed up-to-date with everything, despite the effort it took with all the personnel changes. They’re very disruptive and make it hard on everyone. Sometimes, it feels like a jungle in the warehouse, and we’re all just trying to keep up.”

According to company records from the past year, Gabe had fired employees for product damage during their shifts, as well as failure to show up at all, which continued to be a problem. When Theo asked him about weighing the cost of retraining versus rehiring, Gabe said that while he understood Theo’s “staffing problem,” those fired employees
had increased the risk level for everyone, and that he had to set a consistent policy to “send a message.”

“Given the current climate,” Gabe admitted, “there are few opportunities for advancement.” But he agreed with Theo’s request to institute weekly staff safety meetings and to support his experiment in creating a gap time in the two labor shifts.

* * *

In his four months on the job, Theo had seen close to 70 percent employee turnover in the warehouse, and reported product damage approaching $30,000 a month. His warehouse supervisor was holed up in her office and appeared afraid of her staff, and his safety chief was cool to training.

It was time to talk to E.B. Callaway.

“You expect a lot from a little light bulb.”

Theo hadn’t talked to or seen Callaway in weeks, and the CEO didn’t like email. So, on a quiet afternoon before Sam’s going away party, the two men walked through the warehouse, greeting the workers who were straightening up aisles as they headed toward the delivery truck bay.

“We could cut product damage in half just by offering a monthly bonus,” said Theo. “And then with even informal training and safety talks, things should start to stabilize before I make some physical warehouse improvements. We’ll start to turn things around by next quarter.”

The CEO paused. “Improvements like what? Right now, your improvements are slowing us down.”

Theo chose to ignore Callaway’s statement, and simply focused on the question. “Add more smart lighting. Some areas are a safety hazard. The lighting should improve morale, too; people complain about it. And then some product tracking.”

Callaway had been forthright with Theo when he hired him, describing a growing “disconnect” among employees in the warehouse.
But Theo sensed a growing impasse with his boss on the company’s more intractable problems of morale and turnover.

“You expect a lot from a little light bulb, don’t you, son? Sales are down this quarter, and it’s because of your shift problems. You’re not getting product out in a timely manner. And from what I can tell, you’ve slowed things down to just make them cleaner.”

Suddenly the two men realized that both day shifts plus Evie and Gabe were standing within earshot of the warehouse dock and watching them.

Startled, Theo stopped, but the CEO kept walking and called over his shoulder to the younger man: “Reduce the damages first. Show me how we’ll make money investing in the warehouse, and you’re a genius.”
TAKE 1

Commentary by Joe Willmore

A leader in the field of human performance, Joe Willmore is a consultant for a range of organizations and the author of numerous publications on performance improvement.

This is a great case because it’s so typical of what a lot of consultants face—an organization where everything seems to be going wrong, things are falling apart, and there are lots of possible targets to pursue. And professionals not taking a performance improvement approach would likely jump to some immediate conclusions, like “Let’s provide executive coaching for Theo Paine,” who admitted when he took the job that he wasn’t that experienced, or “Let’s send everyone through training on a range of topics, like safety issues, supervision, and communication skills,” or “Let’s build up employee engagement.”

While these may initially seem like great ideas, they aren’t very systematic or very business focused (I’ll explain what that means in just a bit). Additionally, when things start to go wrong in an organization, it’s very easy for everything to start falling apart. A bad process or conflicting targets can lead to a situation where it seems everyone is incompetent and nothing is done right. Lightgate is a classic example of an organization where a systematic and systemic approach to performance is critical—otherwise you’ll end up spending valuable resources on issues that have a tangential impact.

Let’s also acknowledge that it’s not clear what the business priorities are. The CEO at one point talks about sales being down, at another
point about the need to speed up delivery, and a third time about the importance of reducing damages and rework, but Theo’s initial priority was to “stabilize things down in the warehouse.” Everyone is so busy slapping bandages on problems (or ducking responsibility and just continuing to do what they’ve always done) that you don’t have a clear sense of what the business wants to achieve. Until we identify the business goals, it’s hard to determine the most critical performance to focus on. That’s a key element of any performance analysis—defining the goals, not just in terms of priorities but also in terms of metrics. (How much do sales need to change? How much faster do shipments need to be?)

There are a lot of dysfunctional elements to Lightgate as a business and how it operates, and it’s easy to be distracted by them. None of the players have a good handle on what the problem is, so they’re all acting on anecdotal evidence (“fire all the managers!” or “hire a people person” or “rearrange the warehouse layout” or “initiate safety training”). The late Geary Rummler used to say, “Pit a good person against a bad process, and the bad process will win almost every time.” What is going on at Lightgate is repetitive and constant. It doesn’t appear isolated to one shift (although the less experienced night shift appears to have more damage problems), or to one manager, supervisor, client, or set of products. My initial read is that there is a process problem, and in trying to cope with it, a series of workarounds—like banning smartphones, moving water fountains, and so forth—have compounded the issues.

So, to me, there are two main problems. First, there is no clearly enunciated business goal or way to measure it. It’s as if the target keeps shifting, or the business goal is “make the pain stop!” Second, no one seems to know the root cause they’re trying to address, so every action is simply a bandage based on anecdotal information. Because of these two factors, you have a

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dysfunctional organization where key processes have broken down, resulting in poor performance in almost every area (slow turnaround times, damaged products, safety violations, and so on).

Any approach to these problems has to start with the CEO. I’d first want Callaway to commit to a business priority and identify how to measure progress. Then, for whatever business goal the CEO names as top priority, I’d want to see how performance has changed over time. For instance, if the goal involves reducing waste and damaged products, I’d want to see how this is measured and look at long-term damages rates. This could tell me if the change in results correlates with a specific change in process, procedure, or internal operation. Given the turnover in operations managers, I think it’s quite likely that changes in internal standard operating procedures are a factor, or that with the turnover in ops managers, some key processes or functions have fallen by the wayside.

I’m never against asking people for their opinion—it gives you the opportunity to find out what they think and sometimes provides useful insights. But to be clear: Just because everyone says “we need new equipment” or “we need more training” doesn’t mean it’s true. You’re asking for their input partially for political reasons (so they’re more likely to accept your recommendations) and because people occasionally tell you the answer to the problem. But the best approach is to use data where possible and show impact—especially for performance issues.

What are my recommendations for Theo Paine? First of all, he needs to stop trying to solve everything and stop using superficial fixes. Second, anything he can do that is a quick “win,” even if it’s small, will help to build credibility. Third, he’s not going to be able to tackle any major organizational performance issue unless he partners with key people. That’s why a “win” or good data matter—he can use them to get support and buy-in for his initiatives.

Theo would find the DNA Desktop tools from ATD’s Analysis course helpful. Process maps are also very useful, especially if you’re looking at how one process affects others or has a force multiplier effect. Systems theory would also help. Lightgate is a complex company with
a series of feedback loops that encourage specific behaviors (such as not worrying if you break supplies or slow the delivery of products) and other loops that discourage particular behaviors (such as safety). If you understand how the system works and have the feedback loops in place, then you can start predicting results and behavior patterns. And you also identify the pressure points to go after to change the system and alter the results.

This is absolutely a common scenario. Lightgate would benefit from a systematic approach and a clear set of priorities—yet neither currently exists. The failure to have one, let alone both, results in a lot of frustration and wasted effort. It creates an atmosphere where everything feels like it’s broken, and management is playing Whack-A-Mole as they react to each new problem that suddenly emerges.
Commentary by Ben Locwin

Ben Locwin is CEO of a healthcare consulting organization. He has held executive roles for top pharmaceutical companies and developed human performance models for a variety of organizations.

As with any business, there are multivariate issues at play simultaneously at Lightgate that are affecting the inputs and outputs of all processes. Getting to the heart of the most influential components takes good, structured analysis and experience.

Most fundamentally, processes are the problem within Lightgate. There are so many operations occurring without standard operating procedures that it’s unlikely any one employee knows exactly what to do in a repeatable way.

In addition, E.B. Callaway is unaware of how his organization is falling behind its competitors. Without a good external market analysis, it’s rather unhelpful to randomly try to eliminate old initiatives or commence new ones. If the company is lagging in public perception, then he needs to fix it through initiatives that address that particular problem. If it’s a problem of sales of a particular product, Callaway needs countermeasures to be more competitive in that area. Differentiation of operational strategy keeps the company focused on practical improvements to its business model, without wasting resources on random fixes. It needs to be systematic.

The case study notes that “lighting companies are increasingly joining up with IT to create smart solutions for a variety of uses. . . . It’s uncertain if a company like Lightgate can adapt and thrive in this new
atmosphere.” There’s no guarantee of Lightgate surviving just because it “wants” to. However, if it changes in an agile way to keep up with new market demands and consumer preferences, then it has a chance of surviving. There is a saying popularly attributed to W. Edwards Deming: “Change is not necessary. Survival is not mandatory.”

It appears that the CEO is concerned about what things he may “need” to do to turn around revenue. Unfortunately, these tend to be short-sighted actions for short-term gains, like employee layoffs, and will never result in a long-term or sustainable strategy. Instead of looking at margins and employees as part of COGS (cost of goods sold), he should be considering how to best utilize his staff to meet the new product and service offerings that are necessary to survive in the market. Furthermore, his reasoning for hiring Theo in the first place suggests he is either a very visionary or very inexperienced CEO. Theo doesn’t have the depth of experiences to draw upon for sustainable gains, but certainly could be good for an initial shift in process and employee performance.

“One thing Theo needs to do is rapidly implement the 5S organization methodology in the warehouse and all operational areas. In this strategy, each S represents a step in the process for streamlining operations: sort, set in order, shine, standardize, and sustain (BPI 2014). It’s a subset of lean production methods and gives employees guidance on how to improve performance, take pride in their workplace, and generate competitive performance for sustainable gains.

There’s also evidence of not paying enough interest to developing staff to improve their performance. Theo’s program for developing employees through on-the-job training is a good way to minimize interperson variation in performing repeated work processes. However, it remains to be seen if Evie, who is in charge of the training programs, will agree to the change.
Another major recommendation that I’d advocate for is a willingness to “trystorm” at the company. This is like brainstorming better ways of doing things, but you actually require fixes be implemented. You won’t lose anything by creating pilot operational studies—if they don’t work, you undo them and try something else. But, if they work, you’ve just improved the business’s operations, and likely by a substantial amount.

On-site safety is another huge problem—safety-related negligence alone can shut a business down. There needs to be a concerted effort to fix the safety program at Lightgate. Creating key performance indicators and a safety culture that starts with leadership shows the employees that good safety procedures are nondiscretionary. This may come at the expense of some staff who don’t want to adopt the new behaviors, but better the loss of incompatible staff than loss of staff due to injury or death. Reductions in recordable accidents and incidents of 90 percent or greater are achievable. It all comes down to developing rational goals, and using data-based decision making to determine the problems’ root causes. Then, address the root causes systematically and systematically so that they are removed or mitigated by better processes, rather than having people be more vigilant, which never works for long-term safety incident prevention.

As for a smartphone policy, Theo can address the managers if he chooses, emphasizing that if it’s important to the managers, it’s important to the employees. However, he also needs to remember that managers have different jobs, and there doesn’t have to be an equivalent policy for all staff in the building with respect to phones, breaks, and so forth. That’s also part of the next generation of successors aspiring to move up the ranks to get different privileges.

Here are a few additional recommendations for the organization:

• Devise a better system for analytics to determine the best-and worst-selling items, SKUs to be omitted, and which item types are most often damaged. This will help develop targeted improvements so the company stops wasting time
and resources on underselling items, and can get a handle on its inventory shrinkage and breakage. Creating a Pareto chart (a specialized type of bar chart that can easily highlight quality-related factors) of the most damaged items could pinpoint the likely periods when damage occurs.

• Make employees accountable for breakage that occurs on their watch. There could be deeper root causes leading to breakage, such as insufficient packaging supports and foam to protect the materials. However, if that’s the case, address it by contacting product manufacturers directly. If the cause is careless handling, then a daily accountability board—with names—will stop material loss almost immediately. Nothing works better than public accountability in an insular work environment. Continuous recidivism can be dealt with by termination, but only if there’s reckless and willful neglect or gross incompetence that has been addressed previously by training initiatives.

• There appear to be serious personality issues throughout the hierarchy at Lightgate. They may be just as influential as the systemic issues and process issues within the company. Theo needs to be given the empowerment and jurisdiction to execute his role. And his work should include focusing on process more than “superheroes”—cultivating the soon-to-be retired Sam Winston, for example—and nonrepeatable performances. This will reduce variation and make the business much more predictable and profitable.
Kathryn Stafford is a publishing industry professional who has been an editor and writer with numerous prestigious institutions, such as the Smithsonian Institution and SI Press. She has written feature stories about problems of conservation and the environment in the Americas, visited newly protected reserves where indigenous communities were transitioning from traditional farming, and interviewed beekeepers, woodworkers, biologists, and union organizers.

An avid long-distance runner and hiker, she competed in the Paris Marathon the last time it was held on a Saturday night and later trekked separatist-filled mountains of Kashmir with her husband, Jeff, and a Buddhist monk companion. When she can, she likes to return to a Maya village in Mexico’s Yucatán Peninsula, where she lived for a time between jobs.

Because she’s been mired in mud in a Guatemalan jungle, surprised by a coral snake in her toilet in Yucatán, and felled by hypothermia at the end of the Paris marathon, she feels uniquely qualified to write about problems in other murky, meandrous, and chilly places.

Today she lives on seven acres near the western shore of the Chesapeake Bay with Jeff, a beagle, a cat, two chickens, and a vulture family of three.

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