Nobody Ever Washes a Rental Car

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Abstract: Why don't people wash their rental cars? Because they do not belong to them– there is no *ownership*! Supply chain managers must be capable of leading change, maximizing human capital, and getting and keeping great talent. This workshop focuses on what managers dream of– a work environment where team members actively and enthusiastically accept responsibility and are accountable to implement strategies critical for success.

Objective: Effective supply chain management is all about relationships. Relationships are not 50/50. They are *100/100!* Each person must be 100% committed to the success of the other party. This demands a passion and enthusiasm to do whatever it takes to satisfy the customer because team members <u>want</u> to, not because they <u>have</u> to. Our objective is to share what leaders must do to build an environment that encourages and enables team members to demonstrate initiative and how to overcome the most common obstacles for transferring ownership.

Outline:
- Ownership and Accountability Defined
- Involvement = Commitment!
- What is a GPTW? (Great Place to Work)
- Critical Success Factors for Transferring Ownership: Leader's Role
- Common Obstacles and How to Eliminate Them
- Getting Started: Helpful Suggestions and Lessons Learned

Ownership and Accountability Defined: Ownership is taking complete responsibility for a task or process, demonstrating initiative to do whatever is necessary for success and to treat the job as if it were your own. The letters in the word <u>PRIDE</u> stand for Personal Responsibility In Daily Effort! Accountability is accepting the authority and responsibility for the results of one's contribution, positive and/or negative without placing blame or making excuses and giving credit where credit is due! Accountability also requires a commitment to the success of others on the team and a respect for the interdependent nature of relationships in getting work done.

Involvement = Commitment! Why should we directly involve associates in daily and strategic supply chain management activities? The answers are many including improved responsiveness, higher productivity, higher quality decisions, better teamwork, reduced stress, and higher morale. People do not argue with their own data. When you tell someone to do something, they will perform out of respect for your position as leader. When you involve someone in a way that allows them to contribute their skills and talents in a meaningful way, you will get more than their hands. You will reap the benefits of their minds and hearts!

What is a GPTW? A key challenge for all businesses today is getting and keeping great talent. Through an extensive survey of 2500 business units, The Gallop Organization has isolated 12 characteristics of a strong work place. In their top-selling book, First Break All the Rules, Marcus Buckingham and Curt Coffman suggest that managers who create an environment where associates can answer the following questions positively are the leaders who will attract and retain the best people. How would the employees within your organization respond to the following questions:

1) Do I know what is expected of me at work?
2) Do I have the equipment and material I need to do my work right?
3) At work, do I have an opportunity to do what I do best every day?
4) In the last seven days, have I received recognition or praise for good work?
5) Does my supervisor or someone at work seem to care about me as a person?
6) Is there someone at work who encourages my development?
7) At work, do my opinions seem to count?
8) Does the mission/purpose of my company make me feel my work is important?
9) Are my co-workers committed to doing quality work?
10) Do I have a best friend at work?
11) In the last six months, have I talked with someone about my progress?
12) This last year, have I had opportunities at work to learn and grow?

These questions imply and demand that a leader build a meaningful relationship with each of his/her associates. This requires treating your associates as *people first* and employees second. In their book and video, Keeping the Good Ones, Media Partners suggest three powerful questions that all managers should ask their direct reports:

1) What is important to you in a work setting?
2) How do you like to be recognized? What helps you to feel appreciated?
3) What makes you feel valued at work?

Critical Success Factors for Transferring Ownership: Leader's Role. Leaders are responsible for creating a work environment where associates willingly choose to give their discretionary effort, take ownership, and accept responsibility for business results. Leadership factors critical for success include: inspiring vision with clear goals and objectives, a common philosophy with shared values, high trust, low fear, open, honest communication, situational leadership, meaningful reward and recognition, and the elimination of mixed signals.

Transferring ownership and responsibility requires that everyone is on the same page and pulling in the same direction. An inspiring vision includes a core ideology and an envisioned future. According to Collins and Poras in their book, Built to Last, core ideology includes a strong statement of purpose (why you are in business, not how you will accomplish it) and values (what you believe and how you will conduct yourselves inside and outside your organization). The envisioned future is a clear statement of a company's goals and objectives, short term and long term. When associates know what the goal is and understand the rules of behavior, they have a solid framework for making good decisions.

High trust is built when clear values and expectations have been established and communicated, when everyone demonstrates these values and works to exceed expectations on a daily basis, and when people apologize and accept responsibility for acting in an untrustworthy manner. In transferring ownership, it is imperative that leaders believe the best about their business partners, internal and external, and expect the best from them. Jim Autry, author of Love and Profit: The Art of Caring Leadership says that we should *"manage for the best among us, not the worst!"* Sharing information, investing in your people and suppliers through training and development, keeping promises and commitments, and eliminating rules and regulations meant to punish the 1% demonstrates trust. Along with trust is an element of risk. The more trust you have in a person, the more you are willing to risk. Therefore, it is important to build high trust when sharing responsibility for critical supply chain activities.

People will not accept responsibility if there is high fear within an organization. When associates are afraid of making mistakes, speaking out openly with an opinion, sharing an idea that may not be the norm, or believe that they are in a "no-win" situation, they will withdraw their skills and talents and perform only at a minimum level. Leaders must encourage and support risk taking and open communication. When errors are made, they must be coached as learning opportunities. Ben Zander, conductor of the Boston Philharmonic Orchestra, states that when you make a mistake, you should raise both hands high and gleefully shout, *"How Fascinating!"* because you were willing to risk and learned something in the process. Many believe that if you are not making mistakes, you are not growing for it is in your miscues, the most important learning takes place.

Open, honest communication can be encouraged when managers practice L.S.L. (Leader Speaks Last) and ask for input from others before stating their own opinions. Don't shoot the messenger or punish people for doing what you want them to do. Solicit feedback and ask for suggestions without waiting for them to come to you. Support and protect those who are willing to speak openly and honestly; recognize associates when they challenge you or bring a different idea to the table in a professional, proactive, and positive manner. Above all, listen openly and be accepting of what you need to hear, not what you want to hear!

To effectively involve associates in taking ownership, managers must practice situational leadership. Each associate who works with you has a different level of competence (skills, knowledge, talent) and commitment (motivation and confidence). Ken Blanchard, leading authority on Situational Leadership, suggests that managers must choose the best leadership style given the task and the person doing the work. The four primary leadership styles are directing, coaching, supporting, and delegating. To share responsibility without "dumping" or "micro-managing", an effective leader correctly diagnoses the task, competence and commitment level of the person to perform the task, and chooses the appropriate leadership style. Those associates with less competence need more direction; those with less commitment need more support. The goal is to develop the competence and commitment of each associate to become a peak performer!

Everyone's favorite radio station is WII-FM or *"What's In It For Me?"* Why should I take on this extra responsibility? There is an old saying that if you want people to act like it is their business, MAKE IT their business! Associates will be more committed when they have easy access to their customers, internal and external. Self-monitoring measurements provide immediate feedback to team members so they can see their progress toward meaningful goals. Variable compensation systems (profit sharing, gain sharing, and ESOP plans) provide an opportunity for associates to share in the risks and rewards of business outcomes. More than money, associates want to be meaningfully involved and supported in making decisions, the opportunity to learn and grow on the job, appreciation for work well done, a company that shares the same personal values, and autonomy and authority to use their skills and talents. Leaders define the outcome and allow the team members to determine the best path to get there. Sharing information or decision making alone, however, is not enough. Employees must have good information, the training to make good decisions, and the authority to act on those decisions, knowing that those decisions, good or bad, will be supported by management. When it comes to reward and recognition, remember these basics: different people are motivated by different things! Get to know your associates and what makes them want to contribute and play an active role.

Mixed signals present themselves when the organization and its leadership does not *"walk the talk."* Employees are confused, frustrated, and de-motivated when they believe that management and the company is not committed to practicing what it preaches!! Mixed signals can be found in many places within a company including management behavior, compensation systems, hiring practices, performance appraisal systems, organizational structure, corporate policies and procedures, rules and regulations, symbols like preferred parking places, and performance measurements. For example, if you propose supplier partnerships and continue to participate in the practice of competitive bidding, that is a mixed signal. If teams are critical to the success of your organizational goals and you continue to measure employee performance *only* as individuals, that is a mixed signal. The key to eliminating mixed signals is awareness that they exist, analyzing the problem, and replacing bad behaviors, systems, and habits with consistent and congruent actions.

Common Obstacles and How to Eliminate Them: When I work with organizations seeking to build High Performance Work Cultures and share responsibility with their associates, I'm confronted with the following common obstacles: apathy associated with numerous company initiatives and "programs" that never made it, management resistance, employee resistance, not enough time, lack of resources, mixed signals, low trust, high fear, lack of training, and a "quick fix" mentality with unrealistic expectations. I have shared some ideas for building trust, driving out fear, and eliminating mixed signals. The key to overcoming obstacles is to identify the organization's strengths and build on them first. What do we already do well with respect to employee involvement and transferring ownership? Next, identify the potential obstacles and rank order them from most devastating to least, not easiest to eliminate. Honestly analyze the obstacle and determine what it would take to get rid of the barrier. Then, determine the consequences, positive and negative, of taking that action. Make the tough and necessary decisions. Hold people accountable for the values, not just the results! Finally, make the necessary changes and don't look back except to say, *"How Fascinating!"* For example, I'm often asked how to deal with managers who don't want to share responsibility or with associates who don't want to take on additional responsibility. First of all, I believe the best about people and expect the best from them. There is usually a reason why a manager doesn't want to let go (fear of losing control, status, sense of importance, fear of failure) and why an associate doesn't want the responsibility (fear of failure, no incentive, "not my job" mentality, lack of confidence). While there are some managers and front-line associates who won't make the journey (and shouldn't), the overwhelming majority of people will successfully make the transition. Critical to success is clarifying expectations for new responsibilities, hiring on talent, building on existing strengths, providing the necessary training, coaching, and support, finding the right fit for people and where necessary, managing around the weaknesses. I like to tell people, *"if you can't be a road sign, don't be a road block!"*

Getting Started: Helpful Suggestions and Lessons Learned

The key to successfully transferring ownership begins with management asking this key question, *"What am I doing or not doing, as a leader, that prevents people from assuming responsibility and performing at a new level?"* There is an old management quote that says, "if you want to know why your people are not performing, take a look in the mirror!" The successful journey to High Performance Work Systems and high levels of employee involvement begins with managers understanding that they are responsible for organizational systems and that these, along with their own behaviors, are often the biggest barriers to success.

If you would like to build a work environment where your associates choose to give their very best every day because they want to, not because they have to, let me suggest the following:

1) Make a personal connection with each of your associates and begin to build a meaningful relationship with them. If you don't enjoy working with people and would prefer to focus your talents on tasks and projects, I suggest you get out of management.

2) Use the "12 Questions" from Buckingham and Coffman to assess the relative strengths and weaknesses of your work culture.

3) Ease people's performance by practicing the follow "E's":

Educate - Ensure people have the skills and knowledge necessary for the required task.
Enlarge - Show people the big picture and keep them focused on the goal; keep associates close to the customer.
Enrich - Involve people in ways that allow them to maximize their talents and abilities.
Expect More - Set high standards, believe the best about people and expect only their best.
Encourage More -What gets rewarded, gets repeated! What gets recognized, gets done!
Empower - Share information, provide training, give freedom within boundaries, and provide support.
Example -*"Being a leader is like being a lady. If you have to keep telling people that you are one, you aren't!"* (Margaret Thatcher)
Eliminate - Look for mixed signals and eliminate them.

Energize - Create energy with your own positive attitude, passion, and commitment for people!

The journey of a thousand miles begins with a single step. What will your next step be to successfully transfer ownership and be a leader that attracts and retains only the best people?

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