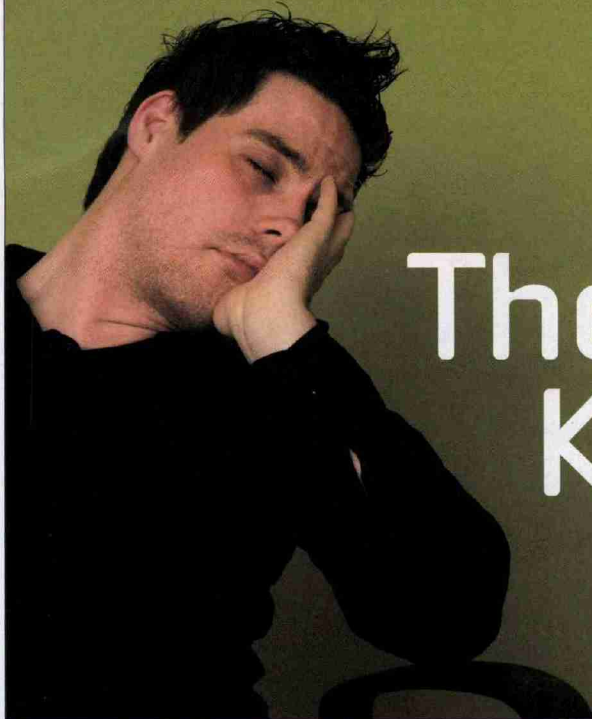


How To:

Avoid Costly Productivity Pitfalls



The Silent Killers

PART 1

In this two-part series, we look at six silent productivity and profitability pitfalls that can damage your bottom line and the basic morale of your bar business. BY CHRIS MAJER

The last decade ushered in an economic meltdown and technological breakthroughs that have forever changed the business world as we knew it. The changes have been so dramatic that most companies are still scrambling to figure out the new rules of the game.

In order to move in that direction in the nightlife industry, bar owners need a new way to think about waste—where “waste” is not a thing but an assessment or an interpretation. In other words, waste is not trash to be thrown out; it refers to the events, phenomena, experiences, and features that diminish our capacity to do what matters to us. In the business world, waste kills productivity and profitability.

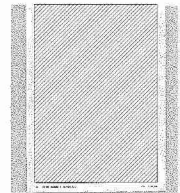
We must now focus our attention on eliminating the six “modern” wastes. We call these the new silent killers of productivity and profitability. In part one of this two-part examination, we start out by taking a look at the first three silent killers of productivity.

SILENT KILLER #1: Degenerative Moods

A mood is a predisposition for action. As human beings, we are always living in one mood or another. This is an inescapable aspect of life. We are mood-driven creatures, and our moods are the foundations from which we assess and move in the world.

Moods come in a variety of shapes and sizes, but they all fall into one of two categories: generative and degenerative. In other words, they do (or do not) generate possibilities, and it is in the world of possibilities that new futures are invented.

However, too many organizations today are in the grip of degenerative moods—with a workplace culture marked by some combination of distrust, resentment, resignation, cynicism, arrogance, and complacency. These degenerative moods can lead to a range of unproductive behaviors, which in turn waste vast quantities of resources while leaders are forced to work around or attempt to correct them.



Degenerative or unproductive moods are tremendous, yet invisible, killers of productivity and profitability. People simply cannot or will not perform to their potential when their work environments are negative, unhappy places to be. Yet contemporary management theory rarely recognizes the importance of moods and the impact they can have on productivity and profitability. While much has been written about morale, which is closely linked with mood, the current common sense has little to offer beyond motivation and engagement work, both of which have proven to be largely ineffective.

Today, a whopping 71 percent of American workers are “not engaged” or “actively disengaged” in their work, according to Gallup. This means they are unhappy with their organizations, emotionally disconnected from their workplaces, and less likely to be productive. In fact, Gallup reports that employee disengagement costs American companies about \$350 billion annually.

Shift Your Understanding

In this newly emerging business world, one key component for generating competitive advantage is being able to consistently design and deploy the generative moods of ambition, confidence, trust, and esprit. The success of future managers will depend on their skill at “mood management”—which means recognizing that the conversations taking place in the organization are not trivial utterances but are, in fact, the lifeblood of the enterprise. As such, it becomes imperative to develop competence at knowing how to listen for and intervene in critical conversations of the business as they shape the future.

SILENT KILLER #2: Not Listening

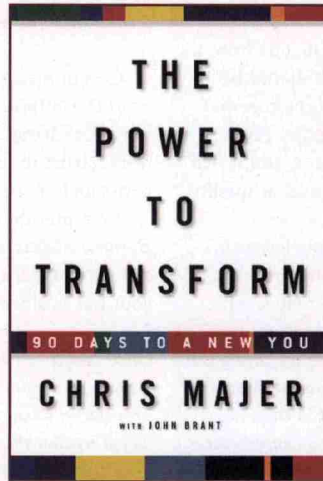
To truly listen does not mean merely hearing or paying attention. Listening is a specific type of active interpretation that shapes our realities.

This largely unknown and certainly unrecognized skill is critical in the new business world. By blindly creating and/or tolerating working conditions in which people do not and often cannot effectively listen to one another, we kill productivity and profitability. This lack of listening can be the result of degenerative moods (e.g., institutionalized mistrust, resignation, or resentment), technology addiction (which can make it difficult for some people to actually talk to others), or a simple incompetence for speaking and listening. If people are not listening to each other, accomplishing anything significant becomes extremely expensive, and making effective changes becomes all but impossible.

According to the International Listening Association, more than 35 studies indicate that listening is a top skill

needed for success in business. Yet, less than 2 percent of all professionals have had formal education or learning to understand and improve listening skills and techniques.

Too many organizations today have created and tolerated a range of practices in which creativity, innovation, and the fundamental expressions of our thoughts and feelings about our work and our futures are ignored or spurned. This lack of listening is a tremendous source of waste.



Chris Majer's latest book contains more answers for building a better business.

Shift Your Understanding

If the popularity of social media has taught us anything, it is that people like to be heard. As human beings we value our own opinions, and we want others to value them as well.

The same is true in business. Our clients, customers, partners, and employees expect us to listen to them. Rather than being told what they want, they expect us to listen as they tell us what they want. We must now shift our actions toward collaboration with customers, suppliers, and investors to create mutually beneficial relationships.

All of this means knowing how to truly listen. We attune ourselves to other people, and together we build competence for speaking, listening, and building trust.

This will require a dramatic shift in the way we train our leaders, managers, and team members, but it is the key to inventing new, more powerful futures

together. Instead of tired practices like “active listening” (whereby one is taught to parrot back what someone says, which only shows that you heard what was said, not that you understood), our teams must develop a new set of competencies in which they learn to clarify what they interpreted in a conversation, not what they heard. Their interpretations are what matter, as their actions will be driven by their understanding of what they hear, not just the words.

SILENT KILLER #3: Bureaucratic Styles

To most people, bureaucracy is a bad word, synonymous with “red tape” and wasted time. Yet, despite the negative connotations, most companies still operate bureaucratically—insisting employees work inside of increasingly complex structures with processes and procedures designed to standardize or control everything. While this might have been the most efficient way to train assembly line workers during the Industrial Era, human capital is now the greatest resource for most companies. In other words, we’re paying people to think, to innovate, and to collaborate with others to produce the best possible results. You can’t achieve this level of performance if you attempt to dictate their every move with rigid policies and procedures.

In the new business world, bureaucratic practices are becoming increasingly dangerous. They not only kill productivity and profitability, they also kill the generative moods of ambition, confidence, and trust that are essential to building consistent competitive advantage.

Shift Your Understanding

Rather than designing complex structures that dictate how employees must complete tasks, today's leaders should be focused on providing platforms for people to come together, address their concerns, and invent futures together. This process is called commitment-based management, and it will be as powerful for the next generation of managers as quality was for the last.

With commitment-based management, people learn to build structures and processes that enable the smooth flow and tracking of commitments, as opposed to activities—the current norm. While everyone knows organizations are more than just lines and boxes on a chart, the commonly expressed idea that “the people are the organization” is misleading. It is not the people that make up an organization; it is the network of commitments they make to and with each other on a daily basis. Companies generate value when these commitments are clear and crisp and are fulfilled on time, on

budget, and as scoped. But when the commitments are unclear, late, over budget, or scaled up or down, companies generate waste (what we call “coordination waste”).

The vast majority of companies are blind to this underlying phenomenon and have no means to intervene other than to cut costs, declare new rules and processes, or reorganize—none of which will make a difference.

Commitment-based management is a radical departure from the current standard practices and will require some dramatic changes in the way that we think about and design work, structure organizations, reward and recognize performance, and shape cultures.

Next month, check out our January 2014 issue of *Bar Business Magazine* for Part 2 of *The Silent Killers* and find out what the last three productivity obstacles might be to your bar business.

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