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HOW I LEARNED TO
LET MY WORKERS LEAD



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In 1980, I was the head of a successful family business—Johnsonville Sausage—that was in great shape and required radical change.

Our profits were above the average for our industry, and our financial statements showed every sign of health. We were growing at a rate of about 20% annually, with sales that were strong in our home state of Wisconsin and steadily rising in Minnesota, Michigan, and Indiana. Our quality was high.

We were respected in the community.

I was making a lot of money.

And I had a knot in my stomach that wouldn't go away. For one thing, I was worried about competition. We were a small, regional producer with national competitors who could outpromote, outadvertise, and underprice us any time they chose.

In addition to our big national competitors, we had a host of local and regional producers small enough to provide superior service to customers who were virtually their neighbors. We were too big to have the small-town advantage and too small to have advantages of national scale. Our business was more vulnerable than it looked.

What worried me more than the competition, however, was the gap between potential and performance. Our people didn't seem to care. Every day I came to work and saw people so bored by their jobs that they made thoughtless, dumb mistakes. They mislabeled products or added the wrong seasonings or failed to mix them into the sausage properly. Someone drove the prongs of a forklift right through a newly built wall. Someone else ruined a big batch of fresh sausage by spraying it with water while cleaning the work area. These were accidents. No one was deliberately wasting money, time, and materials; it was just that people took no responsibility for their work. They showed up in the morning,

did halfheartedly what they were told to do, and then went home.

Now, I didn't expect them to be as deeply committed to the company as I was. I owned it, and they didn't. But how could we survive a serious competitive challenge with this low level of attentiveness and involvement?

GETTING TO POINTS B AND A

In 1980, I began looking for a recipe for change. I started by searching for a book that would tell me how to get people to care about their jobs and their company. Not surprisingly, the search was fruitless. No one could tell me how to wake up my own work force; I would have to figure it out for myself.

And yet, I told myself, why not? I had made the company, so I could fix it. This was an insight filled with pitfalls but it *was* an insight: the fault was not someone else's, the fault was mine.

Of course, I hadn't really built the company all alone, but I had created the management style that kept people from assuming responsibility. Of course, it was counterproductive for me to own all the company's problems by myself, but in 1980 every problem did, in fact, rest squarely on my shoulders, weighing me down and—though I didn't appreciate it at the time—crippling my subordinates and strangling the company. If I was going to fix what I had made, I would have to start by fixing myself. In many ways

that was my good luck, or, to put the same thought another way, thank God I was the problem so I could be the solution.

As I thought about what I should do, I first asked myself what I needed to do to achieve the company's goals. But what *were* the company's goals? What did I really want Johnsonville to be? I didn't know.

This realization led me to a second insight: nothing matters more than a goal. The most important question any manager can ask is, "In the best of all possible worlds, what would I really want to happen?"

I tried to picture what Johnsonville would have to be to sell the most expensive sausage in the industry and still have the biggest market share. What I saw in my mind's eye was

definitely not an organization where I made all the decisions and owned all the problems. What I saw was an organization where people took responsibility for their own work, for the product, for the company as a whole. If that happened, our product and service quality would improve, our margins would rise, and we could reduce costs and successfully enter new markets. Johnsonville would be much less vulnerable to competition.

The image that best captured the organizational end state I had in mind for Johnsonville was a flock of geese on the wing. I didn't want an organizational chart with traditional lines and boxes, but a "V" of individuals who knew the common goal, took turns leading, and adjusted their

structure to the task at hand. Geese fly in a wedge, for instance, but land in waves. Most important, each individual bird is responsible for its own performance.

With that end state in mind as Point B, the goal, I turned to the question of our starting point, Point A. Johnsonville was financially successful, but I was dissatisfied with employee attitudes. So I conducted an attitude survey to find out what people thought about their jobs and the company and to get an idea of how they perceived the company's attitude toward them. I knew there was less commitment than I wanted, but I was startled all the same to find that Johnsonville attitudes were only average—no better than employee attitudes at big, impersonal companies like General Motors.

At first I didn't want to believe the survey, and I looked for all kinds of excuses. The methodology was faulty. The questions were poorly worded. I didn't want to admit that we had an employee motivation problem because I didn't know how to deal with that. But however strong the temptation, the mistakes and poor performance were too glaring to ignore.

The survey told me that people saw nothing for themselves at Johnsonville. It was a job, a means to some end that lay outside the company. I wanted them to commit themselves to a company goal, but they saw little to commit to. And at that stage, I still couldn't see that the biggest obstacle to changing their point of view was me. Everything I had learned and experienced to that point had

convinced me that anything I didn't do myself would not be done right. As I saw it, my job was to create the agenda and then motivate "them" to carry it out.

In fact, I expected my people to follow me the way buffalo follow their leader—blindly. Unfortunately, that kind of leadership model almost led to the buffalo's extinction. Buffalo hunters used to slaughter the herd by finding and killing the leader. Once the leader was dead, the rest of the herd stood around waiting for instructions that never came, and the hunters could (and did) exterminate them one by one.

I realized that I had been focused entirely on the financial side of the business—margins, market share, return on assets—and

had seen people as dutiful tools to make the business grow. The business had grown—nicely—and that very success was my biggest obstacle to change. I had made all the decisions about purchasing, scheduling, quality, pricing, marketing, sales, hiring, and all the rest of it. Now the very things that had brought me success—my centralized control, my aggressive behavior, my authoritarian business practices—were creating the environment that made me so unhappy. I had been Johnsonville Sausage, assisted by some hired hands who, to my annoyance, lacked commitment. But why should they make a commitment to Johnsonville? They had no stake in the company and no power to make decisions or control their own work. If I

wanted to improve results, I had to increase their involvement in the business.

This was an insight that I immediately misused. Acting on instinct, I ordered a change. "From now on," I announced to my management team, "you're all responsible for making your own decisions." I went from authoritarian control to authoritarian abdication. No one had asked for more responsibility; I forced it down their throats. They were good soldiers, and they did their best, but I had trained them to expect me to solve their problems. I had nurtured their inability by expecting them to be incapable; now they met my expectations with an inability to make decisions unless they knew which decisions I wanted them to make.

After more than two years of working with them, I finally had to replace all three top managers. Worst of all, I now see that in a way they were right. I didn't really *want* them to make independent decisions. I wanted them to make the decisions I would have made. Deep down, I was still in love with my own control; I was just making people guess what I wanted instead of telling them. And yet I had to replace those three managers. I needed people who didn't guess so well, people who couldn't read my mind, people strong enough to call my bluff and seize ownership of Johnsonville's problems whether I "really" wanted to give it up or not.

I spent those two years pursuing another mirage as well—detailed strategic and tactical