

## **Management and Performance Associates – August 2014** **It's lonely at the top**

Prior to attending a training program for a global cosmetics company last month, we were given the “unusual” pre-seminar task of stopping at the duty free shops on the way, in order to check the counters for their products and services. This led us to reflect upon how many executives really are connected to what they actually sell and the services their company provides.

By coincidence, today we read an article about Richard Branson, a good role model when it comes to what an executive should be. The article was about him serving drinks to coach passengers on a flight operated by Virgin America, a part of his multi-billion dollar global business empire. He mentioned that he enjoyed being in contact with his passengers, to know how they **really** feel about Virgin and the services provided. He sees interactions such as this as opportunities for improvement. “A good leader doesn’t get stuck behind a desk,” he said.

On the other hand, an executive can be completely disconnected from the end consumer and their company’s products and services. Some years ago, we heard a story from a senior executive in charge of the credit card division of a large global bank. During a cocktail party, one guest approached him and complained about the service provided by his bank. He promised to investigate the issue, but he confided in us “what do I know? I only read reports and try not to sleep during my direct reports’ PowerPoint presentations.”

Obviously nobody would expect a senior executive to know details of each credit card account. Our point is that the higher you are on the corporate ladder, the more disconnected you are from the end consumer. Reports and PowerPoint presentations can be deceiving. What is a good leader supposed to do then? The following are a few hints to help you with this disconnect:

- **Be aware that your direct reports might be too willing to please you.**

Nothing wrong with that, but are they telling you the entire story or just part of it? Are negative numbers and trends being minimized or even swept under the rug? If so, your decisions and strategy could be based upon false premises, with negative consequences for all.

- **Surround yourself with a diverse team.**

You got where you are because you’re bright and now you have power, but you still need different points of view to complement your perspective and to challenge your opinions and decisions. When your direct reports are a bunch of “yes men,” you have a big problem. A wise man once said, *“If the two of us agree on everything, one of us shouldn’t be here.”* When that happens too often, you should examine the reasons for the team’s behavior. Keep reading...

- **Create a safe environment for people to disagree.**

Sometimes managers can be self centered, which cuts participation from direct reports. When people volunteer suggestions for improvements to a product or service and you cut them off using phrases like “That will never be approved by senior management.” you’re destroying creativity and innovation. Worse, people are learning that it’s safer to agree with you than to offer a different perspective. In that scenario everyone loses. The customers lose because services are never improved, shareholders lose potential sources of revenue, and the company loses because a dangerous culture becomes prevalent.

- **Work to find the different perspective.**

When everybody agrees with your proposal, ask your team questions:

“What are the disadvantages of that proposal?” or “What risks are we not thinking of?” Another way to handle the situation is to say “I’m glad you like my idea. What other points of view are out there?”

- **Look for the external perspective.**

What are the customers saying? What are their needs? What is their level of satisfaction? What is the competition doing? Remember the bank executive above, be careful when your only sources of information are internal reports and presentations. Remember Richard Branson; listen to the customers—directly. Take advantage of every opportunity to interact with them.

- **Be strategic, not tactical.**

If you’re in the managerial ranks, be careful with the last recommendation. You can interact directly with your customers, but only if operating from a strategic point of view. Doing it sporadically will allow you to be better informed, and therefore will enable you to make better decisions. Doing it on a daily basis is the job of your direct reports. Your intention (strategic or tactical) is what will differentiate your actions.

**See you next time. We welcome your feedback.**

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