

THE MACRIS GROUP

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www.themacrisgroup.com

From Dean's Desk: our new name



Welcome – as most of you noticed, we are changing. A.C. Macris Consultants is now The Macris Group. This change better reflects the scope and breadth of our services and establishes the direction of our future. A.C. Macris Consultants was created following the Three Mile Island accident; the nuclear power industry realized the importance of human interface with operational systems. Then our focus was purely human factors. Our clients saw the benefits of improved human performance as we began addressing management issues. Subsequently we successfully adapted our tools, experience, and expertise to demonstrate improved performance in many of the more conventional management areas. This work expanded into leadership development. It all made sense as we saw the integration of management, technical and human performance in our services.

Upon further reflection we discovered that our clients were making better decisions. As a result of those better decisions, their leadership effectiveness improved alongside the business and financial performance of their organizations. The reality is that good leadership is the manifestation of good decision-making. While we certainly acknowledge the complexities of effective leadership, as reflected in many of our writings on the topic, in order to move toward stronger leadership executives and their teams need to know how to routinely make better decisions. We not only know what works and what doesn't, we also create the thought process, culture and discipline necessary to enhance the overall quality of Management and Organizational; Technical and Human Performance decisions. You will see a new web site (currently under construction) in the near future, www.themacrisgroup.com. We will continue our newsletters, of which this is the first, and you may see some articles with more of a technical spin once in a while, but we will always tie in the importance of people in the organization. Our contact information remains the same and is published in this newsletter. We will profile many of our colleagues who will be part of The Macris Group in future issues. If you have any questions or would like more detailed information please do not hesitate to contact me.

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The Lost Art of Observation

Lawrence A. Reiter

A. C. Macris

Overview

In the last issue of *Update* we addressed how leaders in this country seem to have lost their abilities to trust and use their instincts. We questioned whether this is a contributor to so many surveys and polls showing a lack of trust in leaders. This uncertainty was further supported in a survey reporting that the most important issue in the current presidential campaign is government competence: 82% of the respondents consider this matter "very important."¹

In this issue we look at what we consider to be a related concern that undoubtedly contributes to the underlying lack of confidence in leadership, the ability of a leader to observe and understand. People tend to know what they are doing but often don't know why. We educate and train people to perform functions but are we training in the reasoning behind the function? We show technicians how to run a lab test, but did we teach them why the test is run that way? Even if we did, the focus heavily on run-

ning the test and reporting the results. The dilemma is two-fold: first does the result make sense, and second when something out of the ordinary arises are the technicians, focusing on the function and not the "why", stumped as to how to adapt?

Likewise we train customer service representatives on how to answer calls and we train them in how to respond to inquires and complaints but we don't train them in the "whys" behind the functions. Consequently, when a question or complaint arises that isn't on one of the scripts, they can't respond and an angry or frustrated customer results. A recent personal example: moving a high-speed Internet service resulted in many days and many hours of frustrating phone calls over the course of several days. A number of technicians were so focused on their scripts that they could not (or would not) listen to me describe the actual problems. If the problems didn't fit their scripts,

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they were unable to function effectively. While I don't believe these were unintelligent people, they were unable to listen (observe), understand and respond.

With regard to leaders in our governments or our industries, this lack of observation skill is directly related to our prior focus on loss of instinct. Instincts and the ability to observe/interpret/analyze are corresponding skills. Those leaders who are focused on return on investment (ROI) and who are lacking or ignoring their instinct are also lacking or not using their ability to observe what is happening in their company, industry or governmental constituency. Why do so many bright people get suddenly dumb as they rise to positions of leadership? Are they forgetting their God-given talents or did they never learn how to use them?

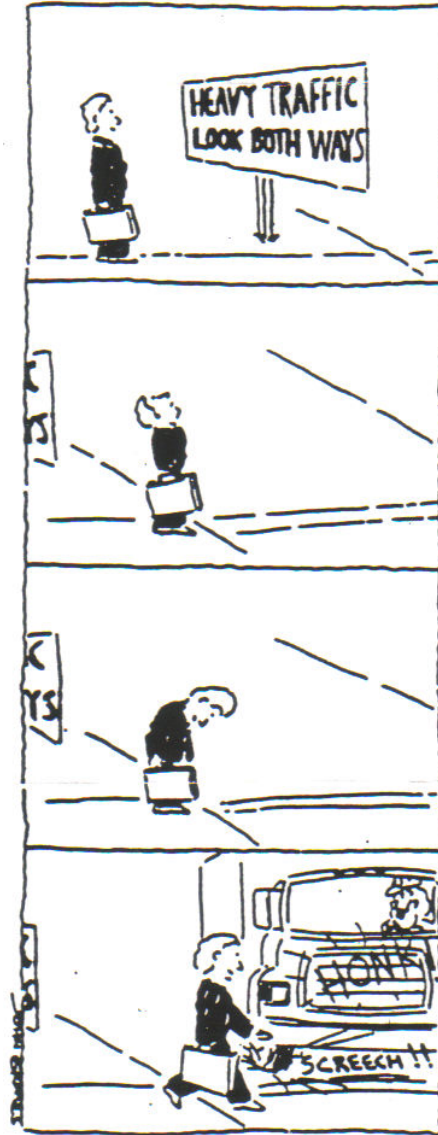
Observation and Thinking

It appears that in the business world today we are trying to make everything cookie-cutter by actually removing the thinking from the process to ensure that there is no judgment involved. This movement is enabled by the growth of technology. As a technological society it seems that we don't want people to think. We rely on technology so much and we train on technology so much that people are losing the ability to think things through.

Consider this example, for those who can recall grocery stores before bar codes, a checker had to read the prices and enter them into the register. He/she also had to know the weekly sale prices to correctly enter them. Furthermore, to ensure good customer service, speed was essential. In other words a grocery-store checker needed multiple skills and the ability to use their brain constantly. If we fast-forward to today we see supermarket checkers who just have to know how to scan bar codes and get that ubiquitous beep on each item (produce presents another challenge if the little sticker I on the piece of fruit is missing). Then they hit the total button and enter the payment and have the correct change figured for them or wait for the credit card to be scanned by the customer. It is a cookie-

cutter job that can easily be replaced. Thinking has been removed from the equation.

How many of us have had experiences like the internet-service one related in the previous section? Every company supposedly has an emphasis on customer service and provides that staff with scripts to follow. Anything outside the script throws most of the customer service staff into a tilt mode, which just further frustrates the customer who is already calling about a problem. We have become a culture of responding rather than *listening, observing and thinking* before responding.



It appears that in our electronic world we have become so focused on what to do that we forget why we do it. Consider again the grocery check out clerk. The job function focus appears to be solely (or at least primarily) on the mechanics of performing the check out - using the bar code scanner and the credit card swipe. Lost is customer service and ensuring items are priced correctly and bags are loaded properly, so the customer is getting treated satisfactorily. There could be an argument that technology allows clerks to be more attentive to customers - but that issue seems to be lost, because of the culture of "the beep."

This same focus shift can be seen in many places. A former lab technician noted how when she was trained she knew how to perform tests and why the tests were conducted the way they were. She noted that new lab techs are trained in the how but not the why and when things were out of the norm they did not know how to react or what to do. It appears that our education system may be following this trend. While we can attribute this attitude to our ever-developing technology, are we creating a world of doers and not thinkers? Do we educate our high school and college students in both the how and why or just the how?

Focus on Numbers vs. Observation

In the last issue of *Update* we considered how our leaders

in industry and government have become so driven by Return on Investment (numbers) that they don't see what is going on in their company and industry (observation). Our topic here is another aspect of the same issue. A good leader – at any level – is aware of what is going on. He/she knows the numbers and uses them to make decisions but is aware of the intangibles that are impacting the organization. Good leaders observe what is going on and how the things that impact the people are impacting the functioning of the organization.

Again, we cannot and do not minimize the importance of the numbers. They are absolutely essential to a business. However, they alone do not tell how an organization or a (business, or a government) is running. All organizations operate on the three legged stool of *People, Process and Technology*. Numbers alone can not evaluate how these three legs are working. It takes observation and work to understand and measure all three. For example, you may have the latest technology but is it appropriate for your situation? Do the people using it understand how to use it and how it works? Is that technology appropriate for your processes? Do the processes have to change to fully integrate with the technology? Are such process changes appropriate for your business and are they cost effective? The list of such questions is long and pin-points out how critical it is to observe and understand before making decisions based on numbers alone. Many are questions that should have been thoroughly investigated before implementation of any new technology, but from experience we know they often are not.

Knowing What to Look for When Observing.

Whether we are dealing with CEOs, lab techs or students, everyone should know how to observe. The focus of our newsletters over the years has been on leadership so we will continue that theme by developing Observation for leaders.

This brings us back to the concept we introduced in our Volume 4 Issue 01-06 titled Contextual Leadership. This issue is available on our web site www.themacrisgroup.com. In summary, Contextual Leadership debunks the notion of born leaders and dissects leadership into Dimensions and Context. Within Dimensions we further break it down into Attributes, Competencies and Experience. Context is the context of business, non-profit, military, etc. The overarching point is that leaders need to understand their Attributes, Competencies and Experiences, and be able to apply them ap-

propriately to the context of their organization. Observation is a contextual component. What one should be observing in one context may be different than another context. Knowing the difference is the leader's job. We are certainly not implying that observation is a trivial exercise. It can be hard work. It requires knowledge of the business, the people and the culture. Employees can be amazingly good at presenting a positive image of what they are doing. Being able to see what is really going on is a skill of a good leader. Being able to relate observations to develop insights is keenly important. So what should leaders be looking for when observing – that is based on knowledge and awareness. In the simplest of terms it involves relationships, consistency and insight. Does what you are seeing make sense? If your instincts tell you differently, stop and re-think or re-look. In our Volume 5 Issue 04 article on Loss of Instinct, we focused on the importance of instinct. One of the best ways to allow ones instincts to function is through observation.

How to be a good observer:

There have been several articles and programs on how effective lists are in getting people to read magazines, books etc. Look anywhere and you will see 12 steps to a better you, 6 key things successful people do, etc. etc. I refer to this as the Elixir Fix. Follow my Elixir of dieting, leadership, etc. and you too shall be successful as I was. Unfortunately the context is missing. If you follow the list of things to do and the context is wrong, your chances of achieving the same success are greatly reduced if not totally ineffective. So we are not going to give you the magic wand of observation. What we are giving you in some things to think about and some guidelines that will help you develop and enhance your ability to be an effective observer.

Guidelines:

Think – think about what is going on around you, don't just accept the obvious.

Relate – look for relationships in what you see. Do they make sense?

Consistency – should there be consistency and if so what should it look like?

Cause and effect – are the effects predictable based on the causes? Do you really know the root causes? If not, identify them.

Changes – observe changes in behaviors, products, surveys, etc. then determine or research the relationships.

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Listen – listen not only to what is going on around you and your people, but listen to your gut feelings – your instincts.

Ask questions – letting people know you care enough to ask questions is important and those who object to your asking probably have something to hide so probe deeper.

These guidelines are nothing magical or profound they are actually very commonplace. They just have been supplanted by numbers and number crunchers. The problem with the number crunching approach is that by the time the numbers tell a story it typically is too late. Who has been watching the store while numbers are going south? Observation is proactive, it is real time, it is what is really happening, it is what a leader should and needs to do. The irony is that when the numbers reveal a problem only then does “management” begin reconstructing what happened. How do they do it? They think, relate, look for consistencies and inconsistencies, they look for cause and effect, explore what changed and ask thousands of questions. We suggest that it is better to Think, Relate, Examine Consistency, Cause and Effect, Changes, Listen and Ask Questions before so the numbers come out the way they should. This pre-emptive process eliminates a world of disrupting issues, improves performance and productivity as well as morale, and it keeps the number crunchers happy, too.

A Request of Our Readers

We had a tremendous response on our last *Update* article on Loss of Instinct. In this article we continue along a related theme – the lost art of observing. So many of you told us you related to what we were saying and had many stories to support our discussion. We would like to hear your stories so that we can continue to learn from and share the wisdom of experience. Please contact us and give us your feedback and stories on loss of instinct and the lost management art of observing.

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The Economic Crisis – A Case Study?

How does the current economic crisis apply to the premises we have put forth in this and the previous *Update*? We have offered up concerns regarding executives and government officials who make decisions based only on numbers and who have, in essence, lost their observation skills. In summary, making decisions based on a small subset of information and without using the skills that we expect of executives.

It would appear that the current economic situation is, in fact, a case study supporting our argument. News reports are documenting so many cases of disastrous decisions that have

added fuel to the current fire. Bankers who wanted to get bigger and bought mortgage companies with questionable products and practices; mortgage companies who in a drive to improve their profits loaned money to people who couldn't afford the payments; government officials who pushed to deregulate and remove oversight.

Were these decisions made by incompetent people? We don't think so. Instead, we suggest that these decisions were made by people doing exactly what we have been talking about – numbers-only thinking and failure to step back and observe what was going on in their industry or their company. How many times have we seen companies move into areas outside their core business/expertise and then have to slash their payrolls or have a fire sale for the newly purchased company? How many of these proved to be small factors that in added to the overall downward slide?

We again encourage managers and government officials to step back and use the observation skills they have and to use their instincts before making decisions.

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Our Next Article

Chicken or the egg? Leadership or decision-making? Which is it? Our next article will explore the relationship between leadership and decision-making. One of our key contributions to our clients has been to help them make better decisions. Better management and organizational decisions, better technical decisions and better human performance decisions. How often have we seen seemingly good or recognized leaders make bad decisions and then we see the effect of good decisions by not so famous executives or leaders? We will examine this phenomenon and dissect the components to shed insights into how to become better leaders and better decision-makers.

The Macris Group

PO Box 535

Mystic, CT 06355

860.572.0043

www.themacrisgroup.com

acmpc@acmacris.com