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Executive Leadership

Continuous Improvement

Pursue Leaders Not Caretakers

Finding, nurturing an effective management team is critical to growth

By J.R. Ryan

I thought I was the company superhero but it turns out I was the villain. I was what consultants call the constraint to growth. As owner-operator of a commercial laundry, it felt rewarding to put in tough, long hours, day after day. The hours just came with the industry and the position. Tackling one decision after another, keeping every account happy, and putting my stamp on every facet of the operation provided a tremendous sense of accomplishment. But a superhero always finds another cat to rescue from another tree and in the flurry of activity doing everybody else's job, I became very efficient in rescuing these cats, so much so that my managers tried fewer rescues themselves, knowing I'd get them done. And despite all of this harried activity, it wasn't translating to the bottom line in the way I'd expected. Being efficient, it turns out, and being effective are very different.

Efficiency, as my mentor the late Bob Swift described it, refers to performing tasks correctly while effectiveness refers to identifying, choosing and doing the correct tasks. Performing line management functions, overseeing equipment maintenance, verifying finish quality and building relationships with key accounts are vital tasks that need to be done efficiently. But those aren't always the right tasks for a company executive with a supposedly competent management team. I wasn't being effective. I'd simply become very efficient at spending my time on the wrong tasks. In the commotion, I'd missed opportunities to grow my company, my people and myself. At the time, I lacked the skill sets needed to be an effective executive and the performance of my management team reflected that need for improvement. It took some time to see what was happening but only once my eyes were opened could effective action to be taken. Looking back, my performance as owner-operator over the final 10 years far outshined my performance over the first 15 years and the growth, profits and abilities of the management team prove the point.

And, How About Your Team?

If you were to make an honest, objective assessment of your own skill set and that of your company's management team, what would you find? After 25 years as an owner-operator and many more years offering guidance and counsel to owner-operators,

I suspect that rather than pointing to rising energy and labor costs, pricing pressure or competition as the key constraints to growth, you may need to point to some key people in your organization

as the primary constraints. It may even be you! This can be extremely difficult for people to recognize, or admit, especially when viewed from inside the company. But as I can attest, identifying the person or people constraining growth and accepting the facts objectively allows your human resources to be unleashed to their full potential. The positive energy becomes visible immediately and shows up on the bottom line faster than you might expect.

How to Identify Human Constraints

Managing is about doing the right thing, not just about working hard. Leadership demands not only doing the right thing but also getting your management team to do the right thing. You simply want everyone to care as much as you do and it's the basis of the science of compensation. But compensation rarely tops the list of reasons why your managers act as leaders (or don't). More often, compensation provides a convenient excuse for owners and executives to cover their eyes and avoid facing the truth about their organizations. The first step in identifying human constraints is to identify leaders and differentiate them from what I call caretakers.

Rather than taking responsibility and solving problems by determining their root causes, caretakers treat day-to-day, surface level symptoms while passing decision-making on to others. Comfortable maintaining the status quo, they rarely look outside their micro-department to see the company at a macro level. Getting their work completed requires task lists with instructions and even then, excuses for failure are often at the ready. These people are constraints to success.

If your team has caretakers instead of managers and leaders then ask yourself how these caretakers were hired and by whom.

I hired a number of mediocre, caretaker managers before recognizing them as constraints. Many people tasked with hiring their own staff fear hiring supremely talented people. These managers tend to hire people who are not quite as good as they perceive themselves to be, preferring to be viewed as the most competent on the team. Eventually, this practice becomes a constraint. Could you or someone you work with be hiring or getting by with sub-par talent for a similar reason?

When ownership delegates responsibility to their managers and managers accept it and perform properly, the leadership team becomes freed from the fog of daily operations to focus on strategy, long-range planning, recruitment and other issues. Successful companies need effective leaders today that create solutions, are able to make effective decisions and fewer mistakes. Caretaker managers may help laundries get by in the short term but at what cost? And what happens five years down the road?

Can Caretakers Become Leaders?

In the laundry industry, it's as common for someone who has served the company for seemingly forever to be a caretaker and a constraint as it is for an owner's or executive's relative to be the bottleneck stifling growth. In these close-knit companies, the decision to call out these people carries substantial emotion. That's why these "difficult conversations" are often avoided at all costs. Anyone would prefer to help a caretaker become a leader and in some cases, it can be done using a combination of technical skills training, interpersonal skills development and management training. Access to high quality training resources from trade associations such as the TRSA has never been easier. Enhanced with professional mentoring, personal coaching or other methods, the underperforming manager may be given an opportunity to demonstrate progress based on a series of goals and timelines. If successful, you'll get an effective manager with loyalty and a renewed commitment to the company. If the manager does not improve, then the leader must consider either a new role for the person or upgrading the caliber of person in the position. It's one of the most challenging parts of a leader's job but doing this well can separate the extraordinary leader from the average manager. If the decision is yours, it's not an easy one, but it's a necessary one to move you and your business forward.

Hiring Leaders

It is far easier to invest time and resources in hiring talented leaders than to skimp and try to get by with available warm bodies who may or may not be up to the task. A new manager hired to quickly fill an "open slot" often functions adequately at first, then settles into being just ordinary without ever excelling. Complaints about the department's performance or its rising costs may escalate yet pinning these negatives on the new manager as opposed to the economy, the aging equipment or the union rules may be a challenge. What we often uncover upon closer examination is this manager has morphed into a caretaker. Rather than fill an open slot with someone able to manage a particular department as it exists today, owners and executives need to evaluate where the company will be five years down the road and fill the position with someone offering the upside potential to grow with the company and the position.

Effectively managing a staff of 40 as it jumps to 70 to keep up with a 50% increase in volume requires the ability and willingness to adapt, learn new skills and keep up with changes in the marketplace, the competition, the workforce and with technological advances.

Leaders embrace these constant changes, recognize problems and create opportunities, even when on the surface there may not appear to be any major problems. With fewer and fewer weak competitors due to industry-wide consolidation and the need to aggressively manage major cost centers just to keep them flat, the need for effective leaders has never been greater and the margin for error never more precarious. When evaluating your management team, figure out exactly where decisions are being made and where they are being avoided. It's more than likely you'll reveal a constraint to growth in disguise as a manager.

The surest way to avoid being cornered into that "difficult conversation" where personnel changes must be made is to focus on finding talented people with proven leadership experience rather than on finding managers to fill open slots, according to J.R. Ryan, president of TBR Associates. Here are some of J.R.'s favorite recommendations from his 30+ years of experience:

- Show the courage to hire people who bring more to the table than you do. This is how companies take off and how you can grow as a person and as a leader.
- Fill key positions based on their requirements five years into the future with people who are willing and able to grow as their responsibilities grow.
- Check at least three references, one from an immediate supervisor, one from a direct report and a third from a colleague. Keep calling until some modicum of truth is uncovered, it's not an exercise in rubber stamping an applicant.
- Establish a succession plan. Conflicts in smaller and especially in family-run companies can often be avoided by establishing a plan for responsibilities and for how key leadership positions are to be filled in the future.
- Always be in recruiting mode. Be on the lookout for good people at all times rather than wait until a position needs to be filled. Talent is attracted to well-managed companies and positions can be created for the right person.

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