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Focus

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Bust Bureaucracy, or Lose!

It began like this, innocently. One employee at Bill's Bookstore kept forgetting the close out his cash register at the end of his shift. After a half-hearted attempt to change that employee's behavior, the store owner required all employees to get a secret code from a manager to clock out at the end of their shift. Employees grumbled. The problem employee, however, suffered no special consequences.

Then a monthly inventory came up 3 books short. In a fit of misplaced priorities, the manager begin scrutinizing reports and found that two orders of six or more books had a miscalculated discount, to the customer's advantage. That led to another new rule: all sales of more than five books needed a manager's override to be completed. Employees and good customers bemoaned the waits.

Then a single customer called the owner to complain that an unnamed employee had been rude. When asked to describe the employee, the elderly woman replied, "Oh, who can remember all these young people! When I was a girl we were taught respect for our elders." This led to cameras -- first at the registers and then throughout the store. Some long-time customers quit coming because they missed the former atmosphere of camaraderie and trust.

And so it went. Almost imperceptibly at first, but then accelerating, consequences of a growing low-trust environment became apparent.

First, the very best employees quit to find a less bureaucratic workplace. These employees loved books and enjoyed sharing this love with customers. Many of Bill's Bookstore customers followed these former employees to their new employer. This became a downward spiral. Customers

complained more to employees and managers. Managers responded with more rules. Employees hated getting fussed at by customers, and with no management support the employees who could find other jobs left.

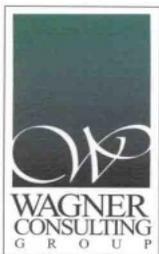
You know how this ends. The extreme example of a low trust, bureaucratic organization is the TSA. Don't you just love 'em?

Here's the moral: Good employees don't require much management or bureaucracy. Just show them the big picture and the goal line; they'll make independent decisions quickly, and they'll be right 90% of the time.

But good employees leave when management builds bureaucratic rules to manage the small percentage of "the wrong employees."

Whatever your business, keep focusing on your good customers and best employees. They will far over-compensate for small losses caused by boneheads and thieves.

Tom



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When I was in college in the last millenium, the FSU bookstore was named Bill's Bookstore. Of course, *that* store was nothing like this fictional example. I remember it fondly.

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