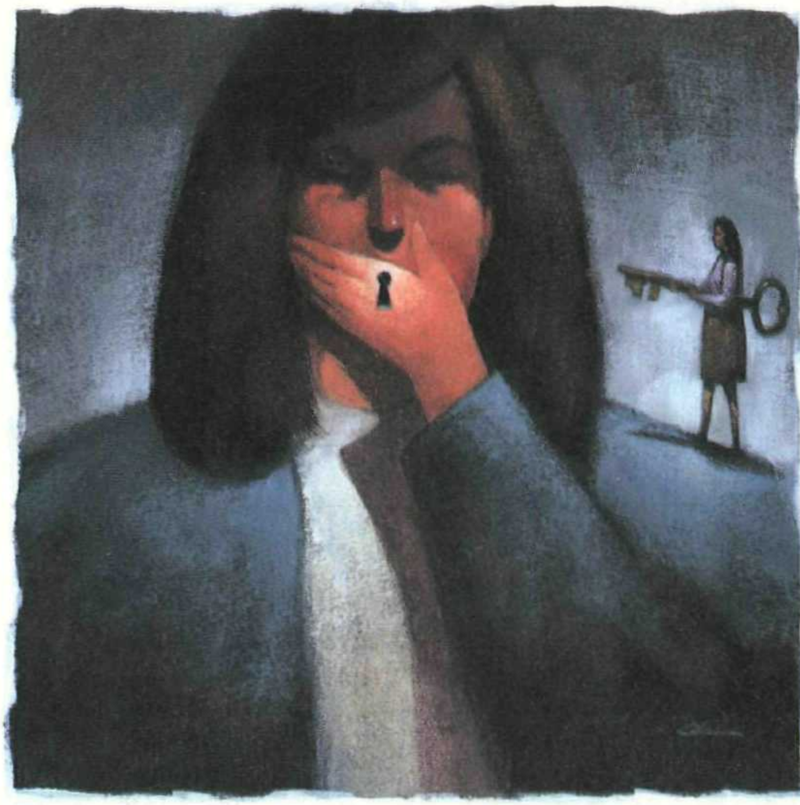
Executive EDGE

DISCUSSING PROBLEMS HONESTLY


Chris McAllister

Modern corporate communications can, ironically, help blind a company to its weaknesses. In the past, communication tools—focus groups, surveys, management-by-walking-around—enabled companies to cut costs by locating and untangling problems. But sharpened competition will require companies to search out deeper problems, particularly those involving employees' attitudes. Unfortunately, current communication tools can inhibit, rather than aid, the search.

Current tools are based on "single-loop" learning, which tends to turn up information about quantity, not quality. They do this by:

- Asking simple questions that call for simple answers
- Asking only "upbeat" questions and avoiding those which employees might find threatening—but also intellectually stimulating
- Asking questions in a way that allows employees to shift blame for problems

To survive and prosper in the twenty-first century, companies will have to employ communication tools that facilitate "double-loop" learning. These questions, similar to what journalists call follow-ups, not only ask employees to identify a problem, but ask them also why the company's culture has tended to obfuscate the problem and prevent its solution.

Double-loop learning obviously demands a lot from all those who participate in it. Employees often become defensive, and executives worry about damage to morale.

Genuine empowerment requires employees to talk honestly about their work and their role in perpetuating, or solving, problems. Executives must encourage employees to develop *intrinsic* motivation: a sense that they, just like executives, are the company's stewards.

From Chris Argyris, "Good Communication That Blocks Learning," Harvard Business Review, *July-August 1994, pp. 77-85.*

LOFTY ASPIRATIONS

Are corporations capable of being values based? Robert D. Haas, chairman and chief executive of Levi Strauss & Company, says yes, but such an approach does not always make for smooth sailing.

To make managing by values less daunting, Levi's top managers penned a set of aspirations that include diversity, ethical management, and open communication. Levi Financial Planner Margaret P. Lourenco says this list is more than just a set of lofty aspirations, it is "about being open and direct. It's about getting rid of hidden agendas."

Being values-based has, in some cases, helped increase Levi's sales. For example, its commitment to recognizing and respecting diversity led Levi's executives to ask why their advertisements, which focus on individuality, did not appeal to Hispanics, who buy 50 percent more Levi's than the average customer. By holding focus groups with Hispanic employees and customers, the company learned that this market values camaraderie. Sales to the Hispanic market increased once some Levi's advertisements reflected this finding.

Not all values-based approaches have been as successful. Although Levi is credited for safe, worker-friendly factories, the implementation of factory employee teams has caused some managers to spend more time refereeing team members bickering over who works harder. When a team gets too hot, a private consultant spends a day with it trying to help develop its esprit de corps. So far 4 of 39 teams have gone through such an exercise. The implementation of worker teams has, however, lowered the order-to-shipment time from seven days to three.

From Russell Mitchell and Michael Oneal, "Managing by Values," Business Week, *August 1, 1994, pp. 46-52.*