

ACCOUNTABILITY



Freedom

and

Responsibility

without

Control

Rob Lebow

author of the bestselling *A Journey into the Heroic Environment*

Randy Spitzer

An Excerpt From

***Accountability:
Freedom and Responsibility without Control***

by Rob Lebow & Randy Spitzer
Published by Berrett-Koehler Publishers

C O N T E N T S

PROLOGUE A New Journey Begins 1

PART ONE

The CONTROL versus FREEDOM DILEMMA 9

1
I'm Pedaling as Fast as I Can, But It's Not Fast Enough! 11

2
The Courage to Make the Change 17

3
Which Would You Rather Work In—A Freedom-Based
or a Control-Based Work Environment? 25

4
Do Incentives Really Motivate People?
Or Are They Just a Quick Fix? 41

5
Is Job Security Related to a Corporate Culture's
Bottom Line? 51

Contents

6

Do You Want to Be Controlled? 71

7

Can We Overcome Human Nature by
Trying to Control People? 85

8

Three Activities That Establish a
Freedom-Based Workplace 93

PART TWO

CREATING the TRANSFORMATION 107

9

The Transformation of National Stores:
A Journey from the Old Control-Based Environment
to the New Freedom-Based Workplace 109

10

The Wise Counsel 121

11

Creating the Right Conditions 141

12

Taking Personal Responsibility Is a Challenge
for Everyone! 157

Contents

13	
Transformation Begins with a Visionary Leader	169
14	
The Freedom-Based Philosophy Is Adopted One Person at a Time	179
15	
Owning Your Job Means <i>No</i> Excuses— The First Step to Freedom	189
16	
Designing Your Job Means You Have the Power to Choose!	201
17	
Finding Great People	215
Epilogue	
Pete Williams: A New Journey Begins	225
The Freedom Survey™ (FS™)	229
NOTES	237
GLOSSARY	241
INDEX	247
ACKNOWLEDGMENTS	253
ABOUT THE AUTHORS	255
ABOUT THE COMPANY	257

P R O L O G U E

A NEW JOURNEY BEGINS

Accountability has become one of the most talked-about subjects of our time and perhaps the most perplexing of all people-related themes.

This story begins in Denver, Colorado, during the winter holiday season. Pete Williams, like thousands of other travelers in the Rocky Mountain states, has been stranded by an especially heavy snowstorm that has frozen the heartland of America.

Now, let's start our journey as Stan Kiplinger, a retired business executive, meets Pete Williams, the hard-charging CEO of an internationally recognized electronics manufacturer who has just transitioned his organization into the fiber optics business.

The Amtrak train was the only alternative to waiting out this snowstorm, and Pete Williams was not the kind of person who liked to wait. He boarded the 9:00 a.m. to Los Angeles with stops in Martinez and Bakersfield, California, and moved quickly past other passengers to compartment 417-C, sliding open the door.

It would take nearly two days to get to L.A. by train. Even though it would take much longer than flying, booking a seat on the train was a better alternative to sitting in a Denver hotel room hoping for a flight when the weather cleared. And, like most of the CEOs of his time, Pete was a take-charge executive who viewed time and money as inseparable commodities. Traveling by train would also give him

time to think through what he was facing in Los Angeles and back at corporate headquarters. Just before boarding, Pete had momentarily looked at the name of the train, *The California Zephyr*. He knew what it meant—a gentle western wind.

As Pete opened the compartment door, he saw an older man who looked like a retired businessman. He noticed the man's casual clothing, accented by a gold Rolex watch on his left wrist that suggested this fellow must have made some money in his time.

Placing his bag above his seat, Pete turned and made eye contact with his overnight travel mate. "Hi, I'm Pete Williams. With the airport closed and my flight canceled, it looks like we'll be making this trip together."

The older man reached up and shook Pete's hand and said smiling, "My name's Stan Kiplinger, but everyone calls me Kip. I've been watching this storm dump snow since I boarded the train in Chicago. It'll be good to get to Los Angeles and feel warm sun again." The older man paused and then asked, "Are you going home for the holidays, or is this a business trip?"

"It's a business trip, I'm afraid," replied Pete with a frown. "I need to get to L.A. for a meeting with our business partners, but this blasted snowstorm trapped me in Denver. It couldn't have happened at a worse time." Pete realized he was expressing a lot of emotion to a perfect stranger, so he softened his tone. "But I guess that's life."

"It would seem so," said Kip empathetically. "If it's not too personal, what business are you in?"

"It's not too personal at all," said Pete, relaxing a bit. "I imagine we'll know a lot about each other before this trip's over. For the past forty-two years, my company was in the electronic parts business. Our business has been slowly dying because of all the changes in the industry. So to stay competitive I forced some drastic changes."

The younger man, reflecting on his experience, said, "I guess it's been about eighteen months now. My board of directors agreed to my radical idea of changing our business focus, but frankly, that's when all of my problems began."

Prologue

“Maybe I pushed too hard. I remember having one heck of a time talking my senior staff into reinventing ourselves. Talk about challenges: I felt like a presidential candidate on the stump, shaking hands and kissing babies all the way!”

The older man nodded his head and laughed in support. “I bet it wasn’t a cakewalk to get all your people to take the risk, huh?”

“No, it wasn’t!” the younger man admitted. “I wanted to place our company squarely in the competitive arena of the fiber optics business. Kip, my people are good, and our reputation is solid, but many of our best customers were moving from the old brick-and-mortar parts business into the optics industry. We had to follow their move or look forward to closing our doors.” Kip could see the seriousness on Pete’s face.

“I believed then and I still do,” Pete continued with conviction, “that our decision was a good one. But now I’m not sure if we can pull it off. It’s almost like everyone is dead at the switch. I can’t get the staff or my management team excited about the challenges facing us. It’s as though they expect me to do all the thinking for them!”

“Oh?” said Kip.

Pete began unloading his troubles and fears on this seemingly sympathetic stranger. “Recently, we began manufacturing system components and optical fabrication supplies for a large multinational Japanese telecommunications provider. It was a big multimillion-dollar contract that made all the local papers. You know, the kind that a company can be built on.”

Pete leaned forward and quickened his pace. “So, when we signed the contract, I thought that it was the best day of my life—outside of marrying my wife and later holding my infant daughter in my arms.”

Pete paused and lowered his eyes before going on. “Our partnership is kind of shaky right now, so I’m personally going to L.A. to try and shore up the relationship. I frankly don’t know if I’m going to be looking for a new job myself when this is all over. Maybe I took too much risk and asked the company to bite off more than it could chew.”

Pete was still not looking at Kip but had his eyes on the floor. “I’m the genius who pushed everyone into this. Now I feel like a guy who’s walking the plank. And, to add to my troubles, the board recently placed a new CFO—a real numbers guy—at the helm of our financial department. Frankly, I don’t know if the guy is on my side or if he’s a spy. I can’t figure out the board’s motives for hiring him, but I have this uneasy feeling.” Then almost inaudibly Pete muttered, “I haven’t slept well for weeks.”

Kip sensed that he needed to cheer up his fellow traveler. “It sounds like you’ve got the weight of the world on your shoulders. I’ve been there and survived. I know you will, too.”

Pete smiled a half-hearted smile, knowing that Kip was trying to cheer him up, and then said, “I wish it were only one or two problems, but there seem to be dozens. And the most frustrating thing is that I really can’t put my finger on the key issue. I know I can handle the board, and I know that this new CFO won’t be a problem if I can get the business moving.

“Kip, the business is there for the taking—but I can’t do it alone. Believe me, I’ve thrown money, programs, staff, and outside experts at it, but the problems aren’t going away. I’ve even tried restructuring our manufacturing divisions. I did that before the new CFO came on board and before we entered the optics market. It was tough sledding, restructuring the plants and shuffling around our leadership. I thought I’d really cleaned up our problems, but that’s not how it’s turned out.

“About a year ago I did the unthinkable—I took the risk of consulting with our partners on our quality issues. Among our partners is one of the best-run Japanese companies in America, and when I approached them on helping us sort out our quality problems, they were great about it.” Pete shook his head. “I thought I’d lose some of my top guys over this. Kip, you wouldn’t believe some of my peoples’ egos! Admitting to outsiders that we may not know everything was too much for some of my key managers. Instead of seeing our partners as partners—true partners—my people saw these folks as the enemy.

Prologue

“But even with all this spent energy and the feather ruffling, the end results are the same: we still can’t get people to be accountable for their performance, even though our systems and procedures have improved. And this problem is felt at every level. It isn’t just in the hourly ranks. It’s everywhere!

“People seem to lack the will,” continued Pete, “to take personal responsibility for the goals we set and the deadlines we establish. They sit in the conference rooms with my top managers and me. They agree to the goals and the timetables in the meeting, but once outside and back to their own areas, they complain about how unfair we are.

“I believe in giving everyone a chance to speak—but most won’t.” Hesitating, Pete decided to share one last tidbit of information. “We’ve threatened folks with their livelihoods, not something I liked doing, but not even that worked. We’ve spent millions of dollars on incentive programs to no avail. Frankly, I’m at my wit’s end.”

Kip could see that Pete was feeling the pressure. It showed on his face and in his body language.

Pete didn’t know why he was unloading on this stranger, but this older man seemed to listen with the ear of an experienced problem solver. “Kip, I apologize if I’m dumping a load of woes on you, but for some reason, you seem to want to hear about it—I mean, truly hear about it.” Smiling broadly, he added, “I hope you don’t call the conductor and have me thrown off the train!”

Kip appreciated Pete’s sense of humor yet understood the weight of his remarks. He wanted Pete to know that he was eager to listen. “Pete, I do want to hear about it. From my experience you’re not alone. Your problems, it seems to me, are common. Most of what you’re relating has happened to me.” He turned to Pete with a mock smile and crooked his head in a Clintonian posture. “I feel your pain!” The tension broke as both men laughed at the reference.

“But seriously, Pete, in board meetings I attend and in private conversations with workers and supervisors, everyone at every level shares similar complaints. People seem to be into the blame game. No one wants to listen any more.

Managers place too much pressure on the staff, and the staff feels powerless to do anything about it. People resent the pressure. They resent being asked to perform without being listened to.”

Kip sensed that he had Pete’s attention now and his confidence. “We live in a time when e-mail has become a contact sport. We shout at each other demanding our rights, thinking if we shout loud enough that we’ll be heard. And we all seem to feel disconnected from our own organizations, even the best spirited of us.

“Many companies falsely think they’re solving their people issues by letting people work at home so that they won’t have to interact with each other on a daily basis. But these organizations are only putting their heads in the sand. It’s like the doctor who shoots up an athlete’s knee with novocaine and sends him back into the game without considering the long-term effects.” Pete laughed, really understanding what Kip was saying.

“Workers complain about their bosses not having the guts to step up to the tough issues. Supervisors tell me they feel like they’re standing in the middle of a minefield with no confidence in their next step. And the top executive’s predicament is the saddest of all; they have no one to talk to. Talk about feeling isolated!” Pete identified completely.

“In fact, most of the senior executives with whom I’ve spoken over the years feel like they’re victimized by their own organizations. They feel overwhelmed by the weight of responsibility that goes with the top job. . . .”

“Tell me about it!” interjected Pete.

“. . . And they feel frustrated that others in the organization don’t seem to share their passion for the business or support the goals that’ll make the company successful.

“Pete, you said it earlier. They, like you, feel they’re walking a plank with alligators waiting open-mouthed in the water below. It seems everyone at every level is struggling to identify the problem. Some think it’s a lack of commitment by employees to their jobs or a lack of involvement. Others say it is people not wanting or willing to take responsibility. Some are convinced it has to do with the generation gap. Still others

see it as an organizational structure problem or system weakness. But to me, it comes down to one issue.”

Pete leaned toward Kip and broke in. “OK, if it’s that simple, what’s the issue? What’s the one thing that I’m facing?”

Kip responded immediately, picking up his pace. “Pete, you mentioned it when you said that you couldn’t get people to be *accountable* for their performance.” Kip held up one finger on his right hand and said, punctuating his comment, “Accountability is the issue! If you can’t find a way to get people to be accountable, you’re going to find it hard to make anything work, let alone your business.

*Accountability is the issue! If you can't find
a way to get people to be accountable,
you're going to find it hard to make
anything else work, let alone your business.*

“But, getting people to be accountable requires that you stop trying to *impose* accountability on them. If you try to force them to be responsible, they’ll only resent your demands, and I guarantee they’ll fight back, sometimes in ways you can see, but most often in ways you can’t.”

“You’re right about that,” nodded Pete.

“Pete, here is what it comes down to. When you force people to do anything, the human tendency to resist kicks in. I resent someone forcing me to do something, and I’d bet you do, too. So why expect this approach to work on anyone else? Forcing someone to do something is just another way of controlling them. The key is to find a way to lead people without ruling them!

*The key is to find a way to lead people
without ruling them!*

“I’ve come to understand that trying to control people just doesn’t work. But getting this concept through my thick Scottish skull hasn’t been easy. It’s taken years,” smiled Kip.

“I’ve learned that getting people to be accountable requires adopting a totally new philosophy about people: people want to be great; in fact, they *need* to be great!

“Pete, we all want to work with people who are accountable. Even a frontline worker expects those around her or him to be accountable. But getting everyone to be accountable isn’t easy. I’ve come to accept an approach about this whole subject that in my younger days I’d have rejected out of hand. I would have called it crazy! I now know that when people are free to own their jobs and to take control of their results, responsibility is placed in the right hands. It comes down to something really simple: are we going to control people, or are they going to be free to make choices?”

“I was the boss for many years. In the old days I thought I was a darn fine boss. Now, I know I wasn’t because I was trying to force results by using controls.” Kip paused, and Pete could see that Kip was serious.

The silence was broken by a knock at the compartment door. The conductor slid the door partially open and said, “Excuse me, gentlemen, but we’ll be departing in just a moment. May I see your tickets?”

A few moments later, the train inched forward. The weight of the train caused the wheels of the three great engines to churn ever so slowly. Most of the passengers settled in their compartments as the train’s pace quickened and the vista changed to a more rural, snow-covered landscape.

Pete Williams, a CEO with lots of troubles on his mind, and Stan Kiplinger, a man willing to listen and to share his insights, began their journey together. And maybe, just maybe, Pete’s time with Kip would forever change his thinking about accountability.

P A R T O N E

THE

CONTROL

versus

FREEDOM

DILEMMA





I'm Pedaling as Fast as I Can, But It's Not Fast Enough!

The *California Zephyr* was at full speed when Pete verbalized the thoughts he was having about what Kip had just said. “I agree accountability is a big issue, but I don’t think you can get people to be accountable without sensible controls in place.

“Kip, if you’re suggesting in any way that I should ease up on my managers and staff, you’re crazy. And I’m not saying this to be tough. I’m saying it to be realistic. I have no experience that suggests that giving up control will get me or my company to the finish line.” Pete realized that he might be coming on a little too strong, but he needed to let Kip know that he wasn’t from the “let’s all hold hands” school of leadership.

“Pete, at one point in my career I’d have agreed with you,” said Kip. “In fact, it literally took a heart attack to change my mind on the whole subject. Before that life-changing event, I prided myself on being a tough, but fair, boss. I thought leadership meant that you played the game like the legendary Lone Ranger—fighting the bad guys single-handedly. I was just fifty-three years old and the CEO of National Stores. Perhaps you’ve heard of them?”

Pete answered. “Of course I’ve heard of National Stores. We have one in the mall near our house.”

Kip continued. “Like the Lone Ranger, I was playing the only role I knew how to play—the guy with *all* the silver bullets! I was the visionary leader with the white ten-gallon hat, full of my own self-importance. I was the main man.

“Pete,” Kip added with a smirk, “I was full of it! I was on top of the heap yet shaking in my boots for fear that the bubble would burst at any moment. I was secretly miserable and afraid to admit my fears, even to my wife until my heart attack.”

“What’s this about a heart attack?” asked Pete with concern.

“Well, I’d been CEO of National Stores for about three years after a thirty-year climb to the top. I was working between eighty and one hundred hours per week and was on the road constantly. My wife and family had become strangers to me. I was missing the best years of my life and didn’t even know it. When I wasn’t visiting one of our stores trying to put out a fire, I was negotiating with our bankers to restructure our debt.

“Pete, I had so many balls in the air, I couldn’t see the sky let alone smell the roses. I was out of touch and in a tailspin.”

“It sounds like more of a death spiral to me,” commiserated Pete with a laugh. He realized now that he was not alone and that Kip had survived the ordeal—maybe he would, too.

Kip didn’t miss a beat. “Like you, I was under a great deal of pressure from our board to improve our company’s slumping performance.” Kip recognized that what he was saying was having an impact on the younger man.

“Your story sounds all too familiar,” said Pete uncomfortably.

“Hopefully, *this* part of my story you’ll never experience.” Taking a deeper breath, Kip paused. This was hard for him to talk about. “It was on a Monday morning, twenty-one years ago in early November. I was getting out of bed when I felt chest pains. It felt like an NFL linebacker was sitting on me—I was suffocating. I’d just had my company physical, and the doctor had asked me some pointed questions that I’d blown off.

“Looking back, I can see he was asking me if I needed help, but I didn’t hear him—I wasn’t listening. My test results were marginal. That’s another way of saying, ‘Hello, you’re on thin ice.’ The numbers indicated that I was a middle-aged guy whose body was showing the effects of a lot of stress. But I thought I was Superman.”

Pete knew exactly what Kip was talking about. “Yeah, my wife is always on my case about taking some time for me. I used to love to run, but since my knee surgery, it’s been hard to find the time to work out.”

Kip nodded and went on. “Well, that morning my wife, who normally would have already been on her way to work, was still home. She must have sensed something. I insisted that it was just indigestion, but she called 911 anyway—thank goodness! I don’t know what would have happened if I’d been in some lonely hotel room or the only one at home that morning.

“Lucky for me, the attack was a mild one. But before I was released from the hospital, my doctor was blunt. No, he was brutal. He said, ‘Either change your lifestyle or plan on an early grave.’ *That* got my attention!”

“I imagine it would,” said Pete with a grimace. “I must admit that I’m beginning to be concerned with my pace and whether I can keep it up forever. Sometimes I’m not sure I can pedal any faster.”

Kip nodded in understanding and went on. “The business depended on me, or at least I thought so at the time. And frankly, I didn’t see anyone on my staff who was ready to take on my responsibilities, let alone the pressures. More important, I wasn’t ready to let go because I loved being in charge. Yet I knew if I didn’t give my staff the freedom to help me carry the load, the job would kill me. I knew this, but I had no alternative. At least, that’s what I thought at the time.

“Pete, something had to give, and it was me. My heart attack had forced me into a dilemma: Either hold onto control and face the consequences to my health, or give my staff the reins.”

“So what did you do?” asked Pete.

“Well, first, I went through the denial phase,” explained Kip. “Then I got angry, like it was the darn doctor’s fault. But

I eventually realized that if I had problems, it was me who would have to change. So here's what I did. About a week after I got out of the hospital, I called my executive team together at my home and explained my situation.

"I told my staff things needed to change, and, more important, I needed to change. I said that the biggest changes needed to come from me, not from them. Frankly, Pete, at that point, I had nothing to lose; I was already losing my business, I was losing my health, and, worst of all, I was losing my family. I admitted that I didn't know if I could give up control. I admitted my vulnerabilities to the men and women who had depended on me.

"Every one of them reacted in a way I hadn't expected. They already knew! I mean, they knew I was in a death spiral. The only surprise to them was that I had lasted as long as I had."

For some reason, Pete thought this was funny and laughed. "Kip, I couldn't help but laugh. If what you are telling me wasn't so serious, it would be funny."

Kip nodded and smiled. "You're absolutely right. Looking back on the whole mess that I had created makes me want to laugh *and* cry. But at the time, I was taking myself pretty seriously.

"I asked my people why they'd never spoken to me about it. And do you know what they said? They were afraid of me. They were afraid of my anger and afraid of being fired.

"They knew what needed to be done at work and knew how to address many of the recurring problems, but they were afraid to share them with me. At that moment I realized that I was both the problem and the solution.

"The problem was my controlling behavior, and the solution was to let go of control. But letting go of control was totally alien to me. My challenge was to trust the people around me, something that was not natural for me.

*The problem was my controlling behavior,
and the solution was to let go of control.*

“Of course, that’s what should’ve happened years earlier. But I had learned from my boss, and he had learned from his. The only role models I had were control freaks. And I was the best control freak you ever saw.”

“Funny you say that,” said Pete. “That phrase keeps coming up all around my company. Our people take pride in being control freaks. I think it’s kind of crazy, but it seems to be the rule.”

Kip nodded in understanding. “Pete, we would literally have gone out of business, not because we didn’t have the talent or the creative ideas. No, we’d have gone out of business because of my stubbornness.”

These last words cut deep into Pete’s heart. He resonated with these words and didn’t like where they led.

The sun shone high overhead and reflected off the carpet of snow into the train compartment. Compartment 417-C had become a confessional as two strangers shared their innermost secrets, their vulnerabilities, and their fears. The wheels of the train clacked along the tracks. The steady rhythm supported the conversation by filling in the pauses.

2



The Courage to Make the Change

Kip continued relating his story because he felt he had to. “My brother, who was an alcoholic, hit rock bottom in the late seventies,” he said in a matter-of-fact voice. “I remember the call from my older sister that one cold fall night. She said he’d wrapped his car around a tree. That was his wake-up call. He joined AA shortly after.

“Alcoholics Anonymous was the best thing that ever happened to him and his family. The lessons my brother learned and that I learned after my heart attack were similar. First, admit you have a problem, then accept the fact that it’s within your power to make the changes you need to make.

“Sure, you’ll need help. No one can do it all by himself. But *you* must take the first step.” Kip was trying to be direct but respectful with his fellow CEO.

“When I admitted to my staff that I had a problem, I gave myself choices, and that was a great gift. Believe me, Pete, you have lots of alternatives, and I don’t mean fancy programs or silver bullets.”

Pete was intrigued. In fact, he was moved. “I can pretty much guess the changes you made in your personal life, but what alternatives did you explore at work?” he asked.

“I first started exploring alternatives with the people who were most affected by my behavior,” Kip replied pointedly. “Our first attempts at change were sincere but flawed. They were flawed because I was still looking for a program. I thought if I could find the right program, our problems would disappear.

“We tried total quality management (TQM). Remember in the mid-eighties it was the rage, and it made sense at the time. And we enrolled our people in personal improvement courses; I even took on a personal coach. I brought in consultants to help us design a new incentive program, we installed a customer service initiative, and we outsourced our help desk facilities. We tried every program we thought was reasonable. Still, we saw no real sustainable improvement to our bottom line. And our people didn’t seem to be any more accountable.”

Kip could see that Pete was engrossed in what he was saying. The last thing he wanted to do was to bore anyone with his ideas.

Pete looked at Kip and asked, “OK, so what did you finally do?”

“One afternoon as I was driving home after another frustrating day, it came to me. I was so excited about the idea that I stopped my car on the side of the road and called the one senior staff member who’d always tell me when I was off base—my retail operations vice president, Jennifer Bailey. This was before cell phones. I can recall the experience to this day. I had to speak—no, I had to shout to be heard on the pay phone by the side of the highway.

“Imagine the scene: I’m telling her about my great epiphany as I’m shouting into this phone while holding my hand over my left ear as the trucks whizzed by.” Kip chuckled as he related the story.

“What did she say?” asked Pete.

“I thought she’d laugh, but she didn’t. Jennifer Bailey, the one person I knew who would tell me flat-out if I was all wet, said, ‘What took you so long to figure it out?’ Pete, that was the beginning of my journey.

“It seemed simple standing out on that highway and talking to Jennifer, but what happened over the next several years wasn’t easy. Frankly, it turned out to be the hardest three years in my business career. But it saved me, it saved our business, and it saved my relationship with everyone I cared about.”

Pete sensed that this man was about to tell him something important. “What was your epiphany?” he asked with anticipation.

“Pete, what I told Jennifer was simple. ‘People work better when they’re free to do it their way.’ *That* was my epiphany.

“Did I want my staff to live in fear that they would say or do something wrong? Or did I want them to be free to do their job as they saw fit, to the best of their abilities?”

*Did I want my staff to live in fear that
they would say or do something wrong?
Or did I want them to be free to do their job
as they saw fit, to the best of their abilities?*

“The epiphany was an either/or choice. Choosing freedom would strip all of our control-based assumptions and challenge our capacity to trust our people. Choosing freedom would mean that every staff member at every level would be fully accountable for his or her ideas, actions, behaviors, and performance, without anyone looking over his or her shoulder. No more alibis, passing the buck, or playing the blame game, and no second-guessing on performance reviews. To me, it meant that I would no longer accept the ‘helpless victim’ role from my staff. And it meant for the first time we’d enjoy an adult-to-adult relationship.”

Pete began thinking about the consequences of Kip’s ideas on his business. He knew that Kip was personally challenging him to make a fundamental choice between *control* and *freedom*. That’s why Kip was telling him this story. Would he continue to choose a control-based approach

to business, or would he abandon the idea of controlling others in favor of freedom? These were uncharted waters for Pete.

Pete's began playing out different scenarios in his mind. Could he trust his people to do their jobs? Pete realized that even thinking like this was dangerous.

Shaking his head, Pete muttered to himself, "No, it isn't possible." Given his present circumstances, this was the wrong time to even consider something like this. It would be nuts, and he'd be signing his own career's death warrant.

Kip knew that abandoning control was pretty radical. He had experienced this reaction over the past years with many business leaders. He himself would have reacted the same way if some stranger had offered the freedom philosophy as a solution early in his career.

"Pete, remember what Jennifer said: 'What took you so long?' She had already figured out that all the programs we were trying wouldn't solve our fundamental problem—getting people to own their jobs and to be accountable. She knew that personal coaching, measurement tools, and incentives might be helpful but that the fundamental issue still remained untouched. I guess she was a lot smarter than I was. It took me over a year after my heart attack to recognize that believing in people was the missing piece of the puzzle.

"Since I retired from National Stores, I've been sharing this philosophy—that you must abandon the idea of controlling people—with business leaders who have hit brick walls. I guess you could call it my mission in life." Kip smiled and continued.

"They've hit this wall after decades of trying control-based programs, systems, and processes that seem always to fall short of the promised benefits. The lesson I learned from Jennifer and others was that the more you try to control people, the less responsible and accountable they become.

The more you try to control people, the less responsible and accountable they become.

“The funny thing is that business leaders will try just about every crazy idea, gimmick, or program under the sun before they’re willing to consider a freedom-based approach of trusting people and treating them like adults!

“Jennifer recognized a fundamental truth about human nature that I didn’t—that people want to be great. And not only do they *want* to be great, but also they *need* to be great, and they need their freedom to achieve great things.

“Before my eyes were opened that afternoon, National Stores focused on facilities management, store locations, marketing and merchandising, distribution systems, inventory control, centralized purchasing, and sales training. We forgot the simplest of lessons that everyone wants to be free to choose to do it *their* way. And, if you let them do it their way, the possibilities are darn near infinite.”

Intrigued but still skeptical, Pete wanted to know more. “Kip, I appreciate everything you’re saying, but you said earlier that the one issue facing me was accountability, that everything came down to this one issue. So, exactly how does freedom produce accountability?”

Kip smiled and welcomed the direct question. “Pete, you’ve asked the right question.” The older man sat back in a reflective posture and raised his eyes to the ceiling of compartment 417-C. Before he spoke again, he refocused his eyes on Pete. “That’s the piece of the puzzle I didn’t see at first. But Jennifer—good ol’ Jennifer—did. Here’s what it boils down to: You cannot control people and ever expect them to be accountable. Or, put in the reverse, to create personal accountability at every level, you need to establish a freedom-based workplace at every level.”

“You’ve got to be kidding,” said Pete with astonishment. “How in heaven’s name do I do that?”

At Pete’s last declaration, Kip put his briefcase on his lap and searched through it while he talked. “Pete, here’s the easiest way I can explain how you do it.

“When I returned to the National Stores offices that next morning, I cleared my calendar and asked Jennifer and another senior team member, my merchandising director, Brad Copley, to help me put together our transition plan.”

You cannot control people and ever expect them to be accountable. Or, put in the reverse, to create personal accountability at every level, you need to establish a freedom-based workplace at every level.

Pete interrupted, “A transition plan?”

“OK, what I mean is that I realized that if we were going to abandon control-based thinking, we’d better know as much as we could about what old strategies we needed to abandon and what new strategies we were going to embrace. Ah, here it is,” Kip exclaimed as he pulled a paper from his briefcase.

Without missing a beat, he continued. “I called it our transition plan. Jennifer and Brad helped me focus on this new approach and thinking. Eventually, I hoped everyone would know what we were talking about, where this was taking us as a company, and what changes and new commitments we needed to make.”

“I see,” said Pete, with some admiration. “It makes sense.”

Kip went on while he handed the paper he’d found to Pete. “That day, we crafted this ‘T-chart’ because it was the most straightforward way to explain where we were and where we were going or, put another way, what we were abandoning and what we were embracing.”

Pete looked at the chart while Kip spoke. “We organized the left side by the systems or processes that we presently had in place, the program and tools that controlled us. We ultimately abandoned *everything* on the left side of the chart, all three strategies. Not right away, mind you, but over a course of three to four years.” Kip first detailed the left side of the T-chart—the control-based approach.

“We had worked on our structures for years. So, we identified the very first control-based element—‘*Impose Authority*.’ Our hierarchy was defined by our organizational chart. Next, we looked at how we approached supervision. We also identified a more subtle form of imposed authority that might surprise you. It was our quota systems.

ACCOUNTABILITY

How Organizations Get People to Be Accountable

CONTROL-BASED THINKING

- I. Impose Authority:**
 - Hierarchy
 - Direct supervision
 - Quotas
 - Policies and procedures
- II. Offer Rewards:**
 - Internal competition
 - Incentive plans
 - Appraisal systems
- III. Grant Conditional Freedom by Removing Some Controls:**
 - Empower people to take responsibility without full authority.
 - Encourage group input without giving them the authority to act.
 - Have peers scrutinize peers
 - Create personal improvement plans.

FREEDOM-BASED THINKING

- I. Grant Individual Freedom as a Right:**
 - Give people the freedom to make *choices*.
- II. Ask Everyone to Be Personally Responsible:**
 - Allow people to design and own their jobs and create their systems.
- III. Have Faith in People:**
 - Believe that everyone wants to be great, and trust them to do great things.

“We concluded that quotas were a more subtle form of imposed authority, and, oh boy, were they prevalent at National Stores! Brad, Jennifer, and I really challenged each other on this one. In the end, they convinced me that quotas had to go if we were to stop imposing authority on our people.

“The fourth element under ‘Impose Authority’ were all the ‘Policies and Procedures,’ and I didn’t need much convincing on this one.” Kip smiled as he completed his explanation of the first category.

ACCOUNTABILITY

How Organizations Get People to Be Accountable

CONTROL-BASED SYSTEMS

I. Impose Authority:

- Hierarchy
- Direct supervision
- Quotas
- Policies and procedures

As Kip wrote out the first series of elements on a blank piece of paper, Pete quietly read them over and said nothing. Kip had ticked off the elements like he was reading a list of things you'd take on a camping trip, but Pete knew that each element had its own power base and momentum, along with a survival instinct deadlier than a cornered rattlesnake.

Kip's momentum, like the train's, was now unstoppable. Pete stared intently at the T-chart. He could not imagine throwing out all of the processes and systems that he and his fellow executives had labored so intensively to set in place. It seemed unfathomable that the older man was actually proposing that he abandon what was universally accepted—at least in the United States and most Western business environments—as the sound way to run a business enterprise.

Was he hearing Kip correctly? Could such a concept work? He wasn't sure, but he knew he had to hear more.

this material has been excerpted from

***Accountability:
Freedom and Responsibility without Control***

by Rob Lebow & Randy Spitzer
Published by Berrett-Koehler Publishers
Copyright © 2010, All Rights Reserved.
For more information, or to purchase the book,
please visit our website
www.bkconnection.com