

# Exercise Leadership by Working with Beliefs

Article Prepared for Executive Excellence Magazine

By Roger Connors and Tom Smith

In our management consulting practice, we've learned that the most effective leaders work at the level of people's beliefs. This goes deeper than declaring a new result as the target and issuing a plan of action to reach to that target. It goes deep down to the way in which people actually think about the result and about their on-the-job actions.

The goal of leadership, and the reason effective leaders work with beliefs, is to get people to constantly make the connection between what they're doing on the job and the result the organization needs to achieve.

Here's an example of what we mean. A major retailer of office products had a problem with mark-outs. (A mark-out represents an out-of-stock situation, where the company doesn't have an item on hand when the customer orders it.) Mark-outs-per-night in the stores had been averaging 3,900.

Various action plans had been tried in attempts to reduce this number, but none of them worked very well or for very long. However, by working with beliefs—by getting people to think differently about mark-outs, by getting them think about the connection between their actions and that mark-outs-per-night number—this retailer was able to cut mark-outs-per-night to 20 (that's right, from 3,900 to 20) in their stores.

## Why Beliefs Matter

The simple model in Figure YY, which we call *The Results Pyramid*,<sup>SM</sup> explains the importance of beliefs.

"Exercise Leadership by Working with Beliefs"  
©1999 Partners In Leadership, LLC

As you'll see, it also points to a way in which leaders can change the beliefs of the people in their organization.



**Figure YY The Results Pyramid<sup>SM</sup>**

*The Results Pyramid*, which is actually a model of organizational culture, says that experiences foster beliefs, that beliefs drive actions, and that actions produce results. Why do we call this a model of organizational culture? Because culture is the sum total of what people think and do, their beliefs and actions, in a given group.

Every group of people -- every team, division, and organization -- has a culture. The most effective leaders lead by managing the culture of the group. This explains why trying to lead people to achieving a new level of results by working at the level of actions, that is, by announcing goals and action plans, is often ineffective. Results and actions aren't even half of what you're trying to change! And they're not the basis of the group's culture. Therefore, to change actions and improve results the most effective leaders work with experiences and beliefs.

## The Power of Experience

A manager we know was about to leave on his vacation. Early on his

last day, he told his people he would be easy to reach and that he was taking his laptop computer with him and that he would be checking his e-mails. Later that same day, he received an e-mail from one of his people: His entire staff was wondering if they were supposed to do likewise when they went on vacation.

That's the power of experience. It's also a demonstration of how easily managers create experiences for their people. Just by stating his intention to check his e-mails while on vacation, he had people thinking that that was his expectation for them in the future. (He quickly assured them that was not the belief he wanted to create and that they should enjoy laptop-free vacations. He did it by changing his own plans and leaving his computer behind!)

To exercise leadership you must create experiences that foster the beliefs you want your people to hold. Those beliefs must be the ones that will drive the actions that will produce the results you want.

A medical-device manufacturer we worked with suffered quality problems and learned, to management's dismay, that people on the shop floor believed the senior managers cared more about shipping product than about quality. Rather than restate their commitment to quality or issue new action plans, management asked people what they had done to create this belief.

In listening to the answers, they learned that when a product was "out of spec" the production line operators

would trip a signal that would stop production. However, whenever a supervisor checked the product, the operators were told the product was good enough to ship and that the out-of-date spec needed to be changed. Eventually, the operators stopped flagging out-of-spec items and worse, stopped looking for quality improvements. They believed that management wasn't committed to quality.

Driven by increasing quality complaints, the management team recognized they needed to provide new experiences to shift people's belief about what was important, namely, that quality was key.

The plant leadership team brought the operators together and told them that if they flagged any out-of-spec product, the product would be scrapped and the spec rewritten and the product would be built to the new specification.

Over the next six months, people began to flag out-of-spec product. When they did, the item was scrapped, and they came to see their managers as committed to quality. As operators adopted the belief that "quality was key," they began to make suggestions that resulted in their own quality improvements -- ultimately leading to a decrease in customer complaints to *one-fifth* of their previous level.

Leaders cannot change people's beliefs by request or decree. Beliefs change as a result of experiences. So leaders must always be aware of the experiences they are creating for their people.

### **Leaving Footprints**

A CEO we worked with told his senior managers, "Everyday, in everything you do, you leave a footprint on this place." His

managers understood: Be sure you create the right experiences for your people because, for better or worse, we as leaders are always creating experiences, and those experiences are always creating beliefs.

With regard to creating beliefs, we've identified four types of experiences.

*A Type One Experience* is a meaningful event leading to immediate insight. This type of experience requires no interpretation in order to convey a belief. For instance, if a management team takes a salary cut during a cost-control effort, people will believe they're serious about controlling costs.

*A Type Two Experience* requires some interpretation in order to foster the desired belief. For example if, to make meetings more efficient, you started sticking to tight schedules and agendas, you should explain that this reflects a belief in efficient meetings. Otherwise, people could believe you simply wanted to limit discussion and input.

*A Type Three Experience* has no effect on beliefs. People perceive these events as neutral or insignificant. Unfortunately, when a leadership team crafts a mission statement and hangs it in the cafeteria, it often amounts to a Type Three Experience.

Finally, people will misinterpret a *Type Four Experience* no matter how hard someone tries to explain it. We know a company which, in the midst of heavy budget cuts and layoffs, hung an expensive modern art painting in the headquarters lobby. Although management explained that the painting had been commissioned a year before to beautify the workplace, employees were terribly upset.

This raises a key point: As a leader,

you must always know which type of experience you are creating. If the management team understood that hanging that painting would create the wrong belief no matter what, they could have delayed the unveiling or donated it to charity for a tax write-off.

Know the shape of the footprint you are leaving on your organization.

### **Leading Is Believing**

Managers and leaders cannot lead by action plans alone. The most effective leaders work at the level of people's beliefs. They do that by creating certain experiences for their people. Think about the most effective leaders you have worked with, or the most effective leaders in history. Didn't they foster beliefs by creating experiences? Didn't those beliefs have an impact on subsequent actions and results? That's how it works. Experiences foster beliefs that motivate actions that produce results.

### ***Partners In Leadership, LLC***

*27555 Ynez Road, Suite 300*

*Temecula, CA 92591* ☐

*Phone: (909) 694-5596* ☐

*Fax: (909) 694-1426*

*Web Site: [www.ozprinciple.com](http://www.ozprinciple.com)*

*E-mail: [pil@ozprinciple.com](mailto:pil@ozprinciple.com)*



**Partners In  
Leadership<sup>SM</sup>**