

CHAPTER 2

Encouraging New Knowledge

There are plenty of epochal stories of missing the boat on great new knowledge. The Swiss invented a mechanism that counted time in digits but couldn't see how it applied to watches. The Japanese saw it in an exhibit of interesting curiosities and the rest, as they say, is history. Talk to Xerox people and they'll freely admit—in fact it's part of their folklore—that their research facility at Palo Alto came up with truly breakthrough technology (e.g., the mouse, icon technology, laptops). None of it was exploited because Xerox management couldn't see its market value. Apple did.

But there are some success stories too. 3M Post-it notes were the result of a scientist creating a glue that didn't stick well. The genius was not just that scientist, but in the company's ability to recognize usefulness. In hindsight, it's easy to shake our heads and say, "How stupid, how short sighted," and to believe we're more like the 3M manager who gave the go-ahead for the Post-it notes or Steven Jobs who saw the potential of the Palo Alto research.

But encouraging new knowledge can be a tricky thing. The glue used on Post-it notes failed 3M's standards. In some companies, that kind of "failure" would have prompted the response, "Throw the stuff out and start again." Great ideas are great *because* they don't fit into our current way of thinking. Truly creative people often link items that *we know* don't make any sense to join. So, encouraging new knowledge or ideas¹ to come forward can be a difficult thing and all great missed opportunities probably started with one manager shaking his head and saying, "I don't think it'll work."

This chapter will discuss three major things a manager can do to address this issue. The first actively solicits employee's ideas. The second and third activities are more about the culture that you need to create so that the ideas will continue to come forward. They are taking a new view of failure and admitting mistakes.

Encouraging Employees to Generate New Ideas

A friend told me about a meeting where the people were asked to offer ideas to solve a particularly thorny problem. They were tossing around various options when one participant, Kirk, came up with a real blooper. Kirk's boss came back with, "Well, that's not a good idea," and Kirk, to save face, said, "Oh, you wanted *good* ideas...I hadn't realized that." It's an amusing story but on second thought, it's a cautionary tale because it captures exactly the problem managers have in encouraging new ideas.

If we all had worlds enough and time (and money), the best way to encourage new knowledge would be lots of leeway for experimentation and dumb ideas. You'd always be able to say, "Hey, I don't think it'll fly, but what the heck, give it a try!" But we can't. We have a business to run. You can drive an organization into the ground if there's too much going on that isn't valued by your customer however interesting it might be or however much it might ease your life. A judgment call is necessary about what's worth pursuing and what isn't.

In the past, that call has usually been yours. And realistically, that's probably going to continue. However, there are a couple of problems. For one thing, your call is based on your assumptions of what works in your business. As illustrated above, even whole crews of smart, committed executives can be left standing at the station when the train pulls out. Relying exclusively on your own ability to think outside the box doesn't tap all knowledge and innovative capacity in your work unit. In addition, your ability to know what will fly may be compromised because the knowledge needed is deeper and more specialized. You may not know whether an idea really is dumb or whether it just looks that way.

It's sort of daunting. You want to encourage new knowledge, but you don't have unlimited resources, and you can't necessarily tell what's going to be useful. There are some ways you can still do it:

- Help employees understand how the strategic direction applies to them.
- Let employees work on things you don't agree with.
- Listen vigilantly.
- Kill an idea when it isn't going to work.
- Help employees understand your role.

Help Employees Understand how the Strategic Direction Applies to Them

If people really understand the strategic direction of the company—not just words on the page, but how it intimately connects with what they do, they're more likely to generate ideas consistent with it. In the next chapter, we'll discuss how to do that.

Let Employees Work on Things You Don't Agree With

I know this sounds wrong and inefficient. Shouldn't everyone be aligned to the same target? Yes, but 3M has been very successful in part because they give researchers permission to spend up to 15 per cent of their time and company equipment and supplies to pursue lines of interest to them but with no obvious relationship to the company's goals. It's not experimentation gone wild but it does recognize that you don't have a corner on all the good ideas and that your judgment might even be wrong.

This suggestion creates immediate and understandable objections. 3M is a big company, they can afford this kind of thing. I have deadlines and production to meet. And any number of other good reasons. But what about this idea: we've all dealt with an employee who proposes an idea we had to put the kibosh on. However, a week or a month later, he comes back with, "Boss, you know that idea I had? I did a little more work on it and..." Or it might come up casually that he's been spending time on it. Your first reaction might be "What part of 'no' didn't you understand?" You might be tempted to shut him down to show him the issue has been settled. But instead, what about:

You: *I didn't think you were working on that.*

Employee: *Ya...well...I know I wasn't supposed to, but...*

You: *OK, well enough said. What did you find?*

Employee: *Really? Well, actually, it's pretty neat...*

This exchange signals your willingness to allow latitude in what people work on. Of course, not every employee idea will turn into gold. But allowing a greater degree of freedom will allow for the possibility that that breakthrough idea will come forward.

Some managers may be concerned that they'll lose control of their operations if everyone is running off, ignoring direction. But it's not all that likely to happen. If employees really understand how they can contribute to the strategic direction, their ideas, while perhaps not strictly in line with yours, will probably be going in the same general direction.

Naturally, we're not talking about problem employees who consistently do what they want rather than what's assigned but about the normal worker who delivers what's expected. Even if you can't officially give these people a set amount of time to pursue their own interests, you can signal that you're willing to support some of that work.

And—don't treat this "unapproved" idea like a pariah. Once you know about it, inquire occasionally on progress. This signals you don't punish people for showing some independence.

Listen Vigilantly

New knowledge is rarely an eureka! type discovery. It's more likely a wallflower than the life of the party. What gives new knowledge the confidence and room to grow into that huge idea is someone responding, "That's interesting..." or "Why don't you give it a try?" The best ideas often come in tenuous packages. So you need to get into the habit of listening vigilantly to what people say and trying to stifle automatic responses like, "You're right...that'll never fly" or "Well, it's a good idea but it'll cost too much" or even "I'd like to do it but the powers that be will never go for it."

All these statements may be true and you may have to say them eventually. But it's a question of timing. If you say them while the idea is being born, you'll probably kill it. The employee will shrug and turn to other things. However, if you say something like, "Well, that's interesting. Tell me a little more" or "I think that would be great. How do you think we can solve the cost problem?," you encourage the employee not just to come forward with the idea but to think about how to expand it into a great one.

You may do some of this already but consider whether you do it as much as you need to or if you do it with everyone. When you've worked with a group of people long enough, you start to form opinions of whose ideas are worth listening to and whose aren't. Of course, you shouldn't spend inordinate amounts of time listening to Charlie who has never really understood the difference between what he likes and what your customers like. But try to listen a little more vigilantly, even to those whose good-idea-to-dumb-idea ratio is quite low. After all, you only need one great idea.

Kill an Idea When it Isn't Going to Work

A corollary of letting people develop new ideas is knowing when you need to kill the project. If you don't, you get into exactly what you feared—people working on things that don't create wealth. Before the employee starts, agree how long the development phase will last. After you discuss the great new idea Angela has, you might ask, "So, do you think a couple of weeks will be enough time to get a fix on whether this will fly?" When the time's up, the two of you can make a judgment call.

Conversations about killing a project can be difficult, especially when the employee's put a lot into it. If the idea hasn't worked out in the time period you agreed to, she'll probably push for more time or resources. If you agree with the potential, no problem. However, if you don't, the conversation needs careful handling. Let's think about how that might roll out.

Angela: *I just know I could get this to work if I had another month or so.*

You: *Angela, I can't see how it's going to make a difference. It just doesn't look like the idea will fly.*

Angela: *I think you're wrong.*

You: *That's always a possibility, but right now, I need you to concentrate on the other things you've got on your plate.*

Angela: *Barbara, I'm sure this is a great idea. I don't want to let it die.*

You: *Well, Angela, help me with my problem. I need you urgently on the Myers and O'Keefe projects. In addition, I honestly don't think the idea's feasible. From my point of view, it just doesn't make any sense to continue.*

Angela: *What if I cleaned off Myers and O'Keefe and then went back?*

You: *That would help in the short-term but it wouldn't make any difference to feasibility. Can you think of a way we can get around that?*

Angela: *But if I had even two more weeks, I could prove it was feasible.*

You: *So, if you had the two weeks, you'd spend the time working on proving feasibility and not just on developing the idea itself?*

Angela: *Sure, if that's what it takes.*

You: *Well, if you do the other projects first, maybe we can live with that. But if it's not feasible, then we'll drop it, right?*

Angela: *Oh, absolutely.*

You may think this is a cop out. After all, if you really don't think an idea will fly, why give Angela more time to prove it? There may be other reasons which make it impossible to give her more time. But remember, new ideas don't necessarily look like good ones right off the top, and you don't have a corner on the knowledge and vision to always assess their true potential. This may mean allowing experiments on things which, deep in your heart, you don't believe will work.

In the above scenario, it's quite possible that even after the two weeks, the idea still isn't working. You may feel Angela's wasted the time. However, that's not necessarily so. For one thing, her "failure" may help her think how she can make the idea work at some later date. In addition, and perhaps even more importantly, you've signaled to her in a very tangible and important way that you're willing to support her innovation, that you don't believe you have the corner on all the new ideas. You're showing her you value her intellectual capital and you want her to use it.

So the question really is: "Is it worth the two extra weeks to keep Angela trying to come up with new ideas?" Sometimes the answer has to be no, but if the answer can be yes at strategic moments, you'll demonstrate your willingness to encourage new knowledge to come forward.

Help Employees Understand Your Role

Sometimes, you just have to say no. However much you'd like to give Angela more time, you can't. Saying no may also occur when employees ask to move their idea up the food chain or for more resources to fully develop the idea. If the employee takes the no well, you're in business and no more said. But sometimes, a no can take on a meaning for the employee that you don't want.

Employee:	Matt, what about that suggestion I made last week for shorter production runs? What's happening with that?
You:	Oh, ya, Art. I've been meaning to get back to you about that. I looked over your figures and I don't think it's a go.
Employee:	<i>Why not? It'll save us a lot of work.</i>
You:	<i>But it'll cause problems in shipping. We're just shifting the workload.</i>
Employee:	<i>I thought you wanted ideas on efficiency. Here I come up with one and you won't buy it. Brother, talk about mixed messages!</i>
You:	<i>Well, what did you expect? Just because you had an idea, I'm supposed to OK it, no matter what? Come off it!</i>
Employee:	<i>Well, fine. Forget it then. I knew this "we want your ideas stuff" was a crock anyhow.</i>
You:	<i>It wouldn't be if you'd come up with good ideas</i>

You can see that this conversation doesn't augur well for future donations of intellectual capital. It's also easy to see how you might walk away thinking, "He just doesn't get it."

Naturally, you aren't going to implement a poor suggestion just to encourage innovation. However, there were two separate issues in this conversation. One was the suggestion itself; the other was the perception that your support of new knowledge is merely lip service. The first was addressed in some fashion. The second wasn't, and if you ignore it, the employee will believe you really don't want new ideas. Your real intent is almost irrelevant. If the employee believes it's just window dressing, he'll keep his great ideas to himself, no matter what you say.

There's a temptation to say, "That's their problem. My heart and conscience are clear." However, if it matters whether or not they believe you, you need to take some action. Let's go back to the situation outlined above and have another run at it.

Employee: *I thought you wanted ideas on efficiency. Here I come up with one and you won't buy it. Brother, talk about mixed messages!*

You: *Wait a minute, Art. I do want your ideas and I thought there were some real possibilities when you suggested it. But not every idea is going to fly.*

Employee: *But this would have improved our efficiency by 15 per cent. It was all in my analysis.*

You: *You're right and that's pretty impressive. But if we create downstream problems, the company as a whole doesn't win.*

Employee: *Well ...I guess.*

You: *So, I appreciate your work and I wish it were feasible. I'd love to see that kind of improvement. But this one just doesn't look like a go.*

Employee: *OK, ok. Too bad.*

You: *Absolutely. If it had worked, we would have been heroes. But, before you go, can I talk a bit about the mixed messages thing?*

Employee: *Oh that. Forget it. Just blowing off steam.*

You: *Sure, I understand, but I think it's important. I need to know if you think I'm not giving you the straight goods.*

Employee: *No. No problem.*

You: *OK, so it makes sense I need to check out new ideas? Some will be a go right off the bat, some might need work, and some may not fly. But that I'm not talking out of two sides of my mouth if I do?*

Employee: *Well, really, that's your job, isn't it?*

You may need to push a bit to make sure the implicit message is addressed. If you deal with the overt issue, it's typical for people to think you're done. And since Art jumped to a conclusion about your motives, he's not all that keen to keep talking about it. But don't lose this opportunity to clarify what to expect of each other.

When you say no, people need to understand you're saying no for this project only and not to all new ideas. As demonstrated in the example, you can help by explicitly addressing your role with respect to new knowledge.

It Is Important Not to Punish Failure

So there are several ways to actively encourage new knowledge to come forward. But even more importantly, there are things you need to do to keep the ideas flowing. One is not punishing failure.

There's an interesting phenomenon in the high-tech sector. Developing the information age on the ground has meant a series of experiments and failures, with companies starting up and failing with great consistency over and over until the industry gets it right. Christopher Meyer at Stanford University believes that the high-tech sector succeeds partially *because* "failure here is understood to be an integral aspect of the growth process."² In fact, venture capitalists effectively reward failure by preferring to invest in companies whose executives are "seasoned"—i.e., have been involved in one or more start-ups that didn't fly.³

It's quite a different spin on failure—not punishment but reward. How can you apply that logic to your setting? First, think about the reasons for failure or mistakes (I'll use the terms interchangeably). Here are some:

- Because you're incompetent.
- Because you don't care.
- Because it seemed to make sense at the time.
- Because you were learning.
- Because you were trying something new.
- Because you didn't know.

There are many different reasons for failing, but the consequences always seem to be the same. If it's a really big boo-boo, the axe comes out swinging and heads roll. If it's big but not lethal, there is some anger and then the issue is buried, with embarrassed silences whenever it's inadvertently raised later. If you've failed, you get the clear, although often unspoken message that you shouldn't be looking for any plum assignments in the near future. The punishment is usually related to the gravity of the error not the reason for it. In no case is there anything like rewarding failure.

But some reasons for failing may stem from exactly the characteristics you want to encourage in knowledge workers. You want people learning and trying out new things. If they don't, their knowledge can't grow and neither can the company. So to try to keep innovation alive, you need to focus on the reasons for the failure rather than its gravity. Did they fail because they were experimenting or because they didn't care? Did they make a mistake because they didn't know the consequences or didn't think about them?

Getting at the real reasons can be difficult. After an error, big or small, people are more likely to tell you what will get them off the hook or save face rather than what really happened. This is particularly true if they believe they'll be penalized. You can up the chances at understanding what really happened if you lower the threat by always assuming a failure is due to positive intentions—that is, it happened because someone didn't know or was experimenting.

“Whoa!” I can hear you saying, “I should assume that every time someone messes up, it wasn't his fault?” No, but when someone makes a mistake, neither she nor the organization can learn unless you can talk about it. However, if she is mired in self-justification or defensiveness, it'll be hard to explore the issue. Your assumption of positive intentions makes it easier to open the discussion.

Here's how a conversation could go. The company is bidding on a substantial government contract which you have a good chance of winning. The proposal deadline was 2 p.m. Friday. Bill, a fairly new employee, submitted the proposal at 2:05 p.m. and the government official refused to accept it. The revenue you were counting on for the next two years has just gone up in smoke.

If you assume negative intentions, the conversation is likely to go something like:

You: *You idiot! Do you know how much you've cost the company? And if you think I'm taking the rap for this, you've got another think coming!*

Bill: *But I didn't know...*

You: *Don't give me that. It was your job to know...*

Bill: *Anyhow, it wasn't my fault. Marie didn't get her part finished in time...*

You: *What? How come?*

Bill: *I dunno. But it was her fault.*

And then you go off to jump all over Marie. But what if you assumed positive intentions? First, you need to go into an enclosed space and rant and rave. Say all the things like, “That incompetent! How am I going to tell Ralph? How dare he put me in that situation!” And so on. Once you've gotten your blood pressure down, talk to Bill by saying:

You: *Bill, how could this happen? Do you realize how much you've cost the company?*

Bill: *I know. I'm sorry... but I didn't know...*

You: *You didn't know what?*

Bill: *I didn't know they were so strict about deadlines. I mean, I was only five minutes late.*

You: *Then you should have left more time.*

Bill: *Yes, I should have. I'm really sorry. But I didn't know that it was so important.*

You: *You didn't know? How come?*

Bill: *In my last job, we didn't bid on government contracts. I just didn't know it was that important.*

There is a difference, as you can see, but it is almost entirely in your willingness to assume that there is a reasonable explanation. In the first instance, Bill tried to shift the blame to Marie. In the second, he told you the real problem. It's a horrible mistake but it's not actually his fault. The problem was the training/briefing or supervision he got. Punishing him for the mistake doesn't solve the problem and assuming he was incompetent wouldn't have identified the source of the true problem.

But what about the people who make mistakes because they really don't care or are incompetent? These types constitute a very small percentage of the working population, but they do exist. The difference between them and your average employee is the frequency and nature of the mistakes. Someone who consistently makes the same kind of error is either incapable or unwilling to learn and these people need to move out of the organization. But for the majority who can learn from their mistakes and want to, using the assumption of positive intentions can go a long way to helping both them and the organization.

Not Using Gravity of Error as the Criteria for Failure

Gravity of the error does of course make a difference. If a doctor causes a death or a chemical company is criminally negligent, there are sanctions even if they had the best of intentions. If your business has life and death consequences, you may not be able to apply all these ideas. However, even in these settings, there are probably plenty of instances where the gravity of the error can be balanced with the need for people to be free to learn and to try out new behaviors. This isn't easy, but organizations need to consider how to do it if they're truly trying to encourage new learning.

Rewarding Failure or Admitting Mistakes

Many people may agree about not punishing failure but what about actually rewarding mistakes? In most corporate settings, it's probably not rewarding the mistake but rewarding admitting the mistake. Sometimes you're fairly sure a mistake has been made, but you don't have all the facts and the employee can't or won't supply them. If people admit a mistake, you can work on ways to avoid it in the future. If they deny it, you can't get any farther in the learning and knowledge building process. To encourage these admissions, you can do several things, not all of which are appropriate in all circumstances.

Praise Him at the Time of the Admission

When someone admits a goof, you can say: "Well, Andy, I admire your honesty. It must have been tough to do, but it means we can get it cleaned up that much faster. Thanks."

Prevent Others From Throwing It in His Face

If the error has been big, substantial or particularly embarrassing, the colleagues of the person may make jokes or otherwise use it in embarrassing or even threatening ways. (Should he be given this new responsibility, given the recent screw-up?) You can discourage this with: “It was an honest mistake and Andy stepped up to it. Cut the ribbing; it might as easily have been you.”

Refer to the Positive Effects Admitting the Mistake Has Had on the Business

At some point it may be appropriate to say something like: “You know, if Andy hadn’t pointed out that capacity miscalculation, we’d really be in the soup now. I’d hate to think where we’d be if he hadn’t.”

Give the Admitter a Plum Project

By doing this, you signal that openly admitting mistakes doesn’t damage a career and may even enhance your confidence in the trustworthiness of the person. Of course, don’t do this if it was really a stupid mistake. I’m not asking you to reward stupidity but honesty. But even if it was a stupid mistake, you can still use all of the other techniques to encourage people to be open about the problems they’re having.

In short, you can, and should, use your position power to support the change in the way people view mistakes.

Thou Shalt Not Disagree with the Boss

It’s critical to avoid rules which stifle new knowledge, but when’s the last time you saw “Thou shalt not innovate” hanging on a corporate wall? No one actually ever makes up rules with the intent of stifling new knowledge, but there are plenty of unwritten rules that do exactly that. One that is anathema to tapping intellectual capital is a pretty common: “Thou shalt not disagree with the boss,” or variants such as “Thou can disagree in private but never in public.” These unspoken rules are just as, if not more powerful, than the overt ones.

Of course, life is easier in the short-term if there is no dissent. It’s very tiresome having people always objecting to what you do. And a continued high level of dissent in an organization means it can’t carry out a shared purpose or vision. However, the paradox of dissent is that having too much or too little has the same effect. In both cases, the organization becomes stalled, unable to move forward. When there is too much dissent, the paralysis is obvious. But when none is allowed, it simply goes underground and shows up in more insidious forms such as malevolent obedience or withholding one’s intellectual capital.

Dissent is an important part of encouraging new knowledge to come forward. People have to be able to feel free to say to their boss, “I think you’re wrong.” The crux is not whether you believe people can tell you you’re wrong, but whether your subordinates believe it.

An obvious way to signal that you're open to criticism is to acknowledge the possibility that you could be wrong when someone challenges you. However, someone actually has to say, "I think you're wrong," before you can demonstrate how open you are. It's possible you aren't getting a lot of expressed dissent because you already have a very efficient unwritten rule that the king is always right.

To get around both problems, you need to model your willingness to integrate new knowledge. That usually means demonstrating that you can be wrong and, more importantly, that you know it. You admit your mistakes.

Admitting a Mistake

Some managers would rather sell their first born than openly admit an error. It seems better to hide it, deny it, or step around the problem rather than say, "I made a mistake," but saying it demonstrates your willingness to change your ways when new knowledge or understanding becomes available. In addition, as a leader in the new world without readily apparent solutions, the ability to admit you were wrong allows your group to abandon a path which isn't leading anywhere and frees everyone to search for a way that does. Still, managers have a terrible time doing this. Why?

Your Credibility Will be Damaged

This is a common fear, but when you think about it, the only way admitting a mistake affects your credibility is if you always have to be right and always perfect. It's a way of thinking you shouldn't encourage in yourself or in your subordinates. It's an intolerable and ultimately undeliverable expectation. You were never perfect or always right (I hope this doesn't come as a shock to you). The only difference is that now you're admitting it.

Someone Will Use It Against You

Without a doubt, there are people in an organization who will try to use a mistake against you. Your boss might deny you an interesting assignment because he assumes you must have really messed up if you're admitting it. These people are probably relatively few in number but they may be influential.

You Usually Have to Rectify It

If you deny the mistake, you don't have to do anything to fix it but if you admit it, you usually do. That rectification may not be of your choosing either in solution or timing. At the very least you have to justify why you aren't acting the way others think you should. These appear to be pretty compelling reasons for not admitting a mistake. But if you don't, you lower the likelihood your employees will admit theirs. You can admit a mistake in a way that is honest but won't stumble too far into the deterrents noted above. Let's talk about each one.

The Credibility Issue

You need only say: “Okay, I goofed up. Just goes to show I’m human. So, what can we/I do to fix this?” If this seems too facile, you may still believe you always have to be right. Think about how important the whole issue of admitting mistakes is to you. If it’s important, you may need to start taking the first small steps to encourage that belief.

Using It Against You

This is the tricky one. How do you admit an error without jeopardizing your reputation? One possibility is to say something like: “I always thought people admitted mistakes only because they’d be found out anyway. Now I’ve realized it’s just part of being a team.” Might work, might not. If you’re in a really entrenched culture or work for a very conservative boss, you’ll have to tread carefully. You might try admitting your mistakes to your staff but not to peers or bosses. Educating your bosses about a change in their attitudes will help, but may not be feasible. If it’s not, take it slowly, keep it small and the circle circumscribed.

Rectifying the Mistake

If you admit a mistake, you usually have to fix it. But the solution doesn’t have to be what others propose. If the solution urged on you doesn’t fit, it’s perfectly okay to say: “Thanks, that’s a good suggestion. But I want to think about it some more. I’ll keep your comments in mind.” Just stick to that, no matter how much people persist.

How to Start Making the Change

Sometimes you’ll realize on your own that you’ve made a mistake. These are the easiest to correct. You just do it and move on. The most difficult times to admit a mistake are when someone else points it out—when you’re criticized. Here’s how that might start out:

Employee: Andrea, how come you didn’t let me know about the meeting on the new product launch?

You: The one yesterday?

Employee: I needed to be there and I had to find out from Mike. Talk about open communication!

You: But Bob, why did you need to be there?

Employee: Well, this is always the attitude. You never include me in important meetings.

From this point, one of three possibilities kicks in. The criticism is ill-founded, it’s correct but you didn’t realize you were creating a problem, or deep down you know it’s true. Let’s examine each one.

It's Not True

COMMENT

CONVERSATION

Bob is upset. Address that first, then ask for more information.

You: *I'm sorry you feel that way. Why do you say that?*

Employee: *Well, it's pretty obvious isn't it? You have ops meetings I'm not invited to.*

If you're really calm, you could also ask:

You: *So you think you should attend the Tuesday meetings. Anything else?*

Employee: *And what about the last executive retreat? I should have been there too.*

Before you jump in with the answer, keep asking.

You: *Tell me why you think you should be there.*

Employee: *Well, Ron is and I'm the same grade. If he can, why can't I?*

So now you understand the problem.

You: *But if you remember, Ron's part time on re-engineering the marketing function. He's there in that capacity, not because of his regular job.*

Employee: *Oh... I guess I did see that memo.*

Bob is admitting he's wrong. Let him off lightly.

You: *Well, there's a lot of stuff flying around these days. It's hard to keep track.*

If the employee's wrong, it's tempting just to jump in and correct him. And when it doesn't matter, it's probably the most efficient too. However, if the employee doesn't think it's minor (even if you do), spend time making sure you understand the problem. It will assure the employee that you are listening.

This type of problem is easy to solve but for one big pitfall. Sometimes, people will use spurious logic to avoid criticism. This happens in personal as well as work life. An example: a guest complained about the difficulty in finding the hotel. The hotel manager pointed out the map on the back of the confirmation sheet. The guest looked at it

and harrumped: “Yes, but it’s not to scale.” He’s saying, “It’s not true,” to avoid admitting he was wrong. There will certainly be times when the criticizer is mistaken, but you need to be careful you aren’t searching for ways to ignore that kernel of truth.

You Didn’t Realize It

This may also be relatively easy. An employee points out an unexpected consequence of something you did. Let’s pick up the conversation from the point you’ve gathered the information you need.

COMMENT

CONVERSATION

You: *And tell me why you think you should be there.*

Employee: *Well, once you guys make the big decisions, who makes all the physical arrangements—the meeting space, materials, booth setups? My guys. How can I plan if I don’t know what’s coming up? Just like we always do things around here.*

Maybe you think Bob has a point. If you do, you just say:

You: *Sorry Bob, I guess I wasn’t thinking. You’re right of course.*

On the other hand, you may feel you can’t keep adding people to the table who aren’t the decision makers. Even if the employee has identified a real problem, you don’t have to use his solution. You might try:

Acknowledge the need and then talk solution:

You: *I can see you need to know. And so does HR. Frankly, I’m a little reluctant to add more people. We’re already at 10 and it’s getting pretty unwieldy. But we could commit to having the minutes out that afternoon so you can get the info ASAP.*

Employee: *Well, I suppose. But it would be better if I attended.*

You can’t expect he’ll love the solution, but you can stick to your guns:

You: *Yes, I realize that. But I still have the size problem. Let’s try this for a while. We can revisit if it’s not working.*

Employee: *Well, okay. Let’s try it for a while.*

See, it's not that hard. You need to distinguish between justified criticism and implementing the solution proposed. They don't have to go together. You can admit a mistake has been made but solve it in a way that works for you.

The next one is more difficult. You know you've left someone out who should be included. It may be this person is ineffective, hogs the floor, or just plain gets on your nerves. Meetings run more smoothly without him. However, he is right. He should be there. Let's look at a conversation that goes wrong and then a more constructive one. Let's take it from when the employee first approaches you.

You Knew It Deep Down

CONVERSATION

COMMENT

You: *But Bob, why do you need to be there?*

(These comments will be mostly on the effect of your words.)

Employee: *Well, this is always the attitude. You never include me in important meetings.*

You: *Oh come on, Bob. Aren't you being just a little sensitive?*

- personal attack—it must be your fault you're feeling this way.

Employee: *What do you mean, a little sensitive? I think I should be included.*

You: *Well, everyone does, don't they? But I can't be including everyone just because they have an urge to know. I mean, we'd have to have the whole company at retreats.*

- ridicule as a method of silence

Employee: *I'm not talking about the whole company. Everything you're talking about has huge admin implications but I'm not there to advise you.*

You: *Well, we have a pretty good grip on the logistics stuff. I mean, we're all*

- devalue Bob's work
- imply Bob is attacking others' competence

*experienced managers,
you know.*

Employee: *Yes, but.....*

Yes, the manager has successfully eluded the issue. He can't use facts and logic (since they reside on the employee's side this time), so he has stooped to spurious reasoning (Bob wants the whole company at the meetings), turning the tables (Bob is criticizing his colleagues), personal attack, ridicule, and devaluing.

If the intent were to create winners and losers, I'd say congratulations! and move on. But such defensive maneuvers, however useful they might be in the short term to avoid embarrassment and discomfort, are immensely destructive in the longer term. They keep you in the status quo and in the tension inherent in any situation where true motives are underground, masked by silly excuses which no one dares challenge. It signals to this employee (and to others who hear the story) that you're exempting yourself from learning, and moreover, that pointing this out is a sin. In fact, it's business as usual, no matter the rhetoric.

If you want to create an environment which is supportive and encourages new knowledge, you must engage in a process in which you, as well as the employee, are changed. Let's hit the conversation again.

You Knew It Deep Down (Reprise)

COMMENT

CONVERSATION

You: *But Bob, why did you need to be there?*

Employee: *Well, this is always the attitude. You never include me in important meetings.*

It's easy to get your hackles up. Try to suppress it and say:

You: *What makes you say that?*

Employee: *Well isn't it obvious? The ops meetings, the last retreat, and now there's another off-site and I'm not on the list.*

You're getting a queasy feeling that he's right. If this is sticky, don't feel compelled to settle it right away. Instead, say:

Set a particular **You:** I can see this is an important issue to

time and place.

you. I need to think about it. Why don't we talk again tomorrow? How about 1:30 in my office?

It's certainly best to deal with the situation immediately but not if you need to think through your options.

OK, you're back in your office. You don't like Bob and you don't want him at the meetings. He is disruptive or ineffective. But his criticism is justified and it prompts two unpalatable trains of thought: you might have to admit you were wrong and this may be a comment on how you deal with conflict.

You Might Have to Admit You're Wrong

All kinds of corollaries come up. There is the embarrassment of course, but in addition, you might have to admit you don't want Bob at the meetings because he'll push for things he's been hinting around about. Well, he might, but you can keep saying no as appropriate. Yes, it would be easier if he knew not to ask, but he doesn't. He can only learn what you'll support by seeing how you react to his suggestions. If he lacks judgment, and doesn't have other compelling positive qualities, he may need to be replaced. On the other hand, if this is a minor (but annoying) flaw, he needs your coaching to become the employee you need in that position.

So admitting the mistake may mean you have to invite him to the meetings. If that's true, then your role is to coach him on being more effective.

This May Be a Comment on How You Deal With Conflict or People You Don't Like

The criticism may force you to confront more fundamental issues. Is this the way you deal with people you don't like? Is this fair? Is it effective? Does it reflect the kind of manager you want to be? Is this true personally as well as in your work life?

These are not questions anyone wants to look at. Most people would rather dismiss the criticism rather than embark on questioning fundamentals about themselves. It is understandable that you'd want to avoid them but these moments sitting quietly at your desk with the door closed or at home raking leaves, have more power than any others. They are when you choose to learn and embrace the future or when you choose the immediate relief of denial.

Even if you choose the thornier path, you don't have to trumpet your conversion. You may have concluded you don't deal well with conflict and may even be planning how to tackle it. But you don't have to admit that. In the follow-up conversation with Bob, stick to only one unpalatable part: acknowledging the mistake and rectifying it.

You: *Bob, we were talking about the ops meetings and the retreats.*

Employee: *Yes, Andrea. I need to be there. How can I support the company if I don't know what's going on?*

You: *Well, Bob, you may have a point ...*

Employee: *Great! You don't know how long ...*

You: *However, I want to talk about some things you do in meetings that I'd like you to work on.*

Employee: *Like what?*

You: *Well, for example, I don't feel you consistently make suggestions which are workable or feasible.*

I could go into more detail but the point is made—you can respond to the criticism by making a change, but you don't have to go into the soul searching which accompanied it. As long as you rectify the error, you can keep to yourself how you got to that conclusion or what it means about you.

Finally, don't make Bob's personal change a condition of attendance. He should be there, period. In addition, he needs to work on his effectiveness. You need to distinguish between rectifying your mistake and helping the employee be more effective. One shouldn't be a condition for the other.

Summary

Encouraging new knowledge to come forward can call for some uncomfortable changes. You may have to tolerate more divergence of opinion and even encourage it. You need to rethink your automatic reactions to failure and start to move toward a different way of doing things. None of this is easy, but if you truly want to encourage new learning to come forward, you need to make sure the door is open and the way in is inviting. How you act will make a difference. Another way to encourage people to contribute their intellectual capital is to help them understand the challenges the company faces. We will deal with this in the next chapter.

Main Points

- It's easy to discourage new knowledge coming forward without meaning to.
- You can encourage it if you:
 - Help employees understand how the strategic direction applies to them.
 - Let employees work on things you don't agree with.
 - Listen vigilantly.
 - Kill an idea when it isn't going to work.
 - Help employees understand your role.
- Other ways to encourage new knowledge include:
 - Not punishing failure.
 - Rewarding admission of mistakes.
 - Admitting mistakes yourself.

Footnotes

¹ I'll use the terms "new knowledge" and "new ideas" interchangeably in this chapter.

² Robert J. Samuelson, "Secrets of Success," *Newsweek Special Issue* (Winter 1997/98): 79.

³ Leif Edvinsson and Michael S. Malone, *Intellectual Capital: Realizing Your Company's True Value by Finding Its Hidden Brainpower*, (New York: HarperBusiness, 1997), 28.