



## Leading through an Economic Downturn Engaging Everyone through Creativity

This is the third of a series of ThoughtPieces to support organisations in Leading through an Economic Downturn. For more information see:

[www.changemakerweb.co.uk/survival/toolkit](http://www.changemakerweb.co.uk/survival/toolkit)

*The role of leaders is not to be the source of creativity but to inspire creativity across their whole team by creating an environment in which people want to innovate.*

In 2004 Gallup undertook a major piece of research into Employee Engagement. The results were alarming:

- ▶ Only 29% of employees were energised and committed to work, 54% just showing up to do what was expected and 17% not even doing that!
- ▶ The cost of employee disengagement was £37-£39 billion per annum in the UK alone.

That of course was at a time when confidence was high and businesses were growing; so it would be no shock to realise that things are even worse now.

In times of economic downturn and unpredictable business performance, what you actually need are increased levels of engagement to increase the return on the investment in employee costs, and higher levels of creativity to increase sales or reduce costs.

Here is an experience from my own career that illustrates how this can be done:

In October 1987, I was running the back office of a large US investment bank in London. The week started badly with announcements that we were going to make 15% of our staff redundant and ended even worse. Not only had the FTSE crashed by nearly 20%, the Dow Jones suffered the greatest fall since 1914 and the South East of England had been hit by a Hurricane. Apart from the hurricane this starts to sound familiar!

An ultimatum was issued that unless we could reduce non-staff related costs by 15%, further redundancies were a distinct possibility. That afternoon, I called a meeting of the 60 remaining staff in my department and gave them a chance to express their thoughts and feelings. Predictably, they were angry at the redundancies, and scared about their own security of employment. They could not see how we could possibly continue to do all of the work with the newly reduced headcount and in short they looked like frightened rabbits trapped in the headlights of an on rushing car.

All I could do was to allow them to express their feelings and apologise on behalf of the leadership team (of which I was one) for allowing this situation to arise. People had not been made redundant because of the market situation; it was because in the rush for market share after market deregulation the firm had over expanded. Whilst I may have only been in the job for nine months, **I was part of the Leadership team and it was only right that I accept some of the responsibility.**

For nine months, I had been developing a set of goals to reduce our costs but most importantly to increase service levels to the rest of the business. This was still my ambition but this was also not the time to share this with my team, whose only focus was survival. My team, including the managers who reported to me were feeling anything but creative and I had to take some form of leadership to inspire them to move forwards, but what? I was young, inexperienced and had never seen times like this before.



I decided that my first step should be to spend time at the coalface, learning more about the things that happened everyday, to see if I could find any opportunities. I started in the Mail Room, an area of great mystery to me, and one, which had some of the greatest problems. Within a day, I found what I thought could be the ideal “low hanging fruit”, an opportunity to make real change and reduce the workload.

Every day the bank’s research department would write between 20 and 30 reports, each about 30 pages long, printed and bound in New York and shipped to the UK for distribution. In essence they suggested whether you should Buy, Sell or Hold. At 1pm everyday, the mailroom would fill with boxes delivered from Heathrow Airport and the mailroom team would then spend the best part of 3 hours sorting 450 packs of the reports, before loading them into trolleys and delivering a pack to each trading position on the trading floor.

On my first day in the mailroom, I helped out with this task and took a trolley to the floor. It was shocking. Each trader might take one or two reports from the pack, many took none at all, and then they dumped the rest straight into the bin.

We got back to the mailroom and sat down for a cup of tea and a chat. It was time to ask some naive questions; **the joy of being a leader is that it is OK to ask what some might see as stupid questions.**

“How do you feel when you see the packs being ignored and thrown in the bin?” *Angry, depressed, why do we bother, disrespected, and ignored,* would sum up the replies.

“Why do we do it this way?” *Because that is the way that it has always been done.* None of these people was of course around when there were only 20 trading positions and it probably made some sense.

“Does it always take 4 people 4 hours to do this?” *Some days a bit less, and some a bit longer, but we can’t do it any faster.* Having done it myself, I could see that this was true and told them so.

“How many reports actually get read?” *We don’t know.*

I could start to see a solution in my head, but realised that this was not the time for me to be the hero; **I had to help them to become heroes if I was to stimulate creativity and innovation** in this team and indeed across my whole area.

We agreed that something needed to change and I wanted them to find the solution. It was agreed that the first thing we really needed to understand was just how many reports were actually read each day. The team suggested that for the next week, they would go back to the trading floor at the end of the day and collect the packs from the bins so that they could count just how many had been extracted. This was going to be unpleasant since there would doubtless be coffee dregs all over the place, but they even said they would not charge for the overtime that would be required to do the job. Each evening for the next week, my management team and I would go into the mailroom to help, we ordered in Pizzas and the whole thing was actually quite a lot of fun, and of course I did pay overtime!

At the end of the week we had come to the staggering conclusion that, at most, only 20 copies of each report were being used, that meant that 430 were being wasted!



The next Monday we discussed ways in which we could change the system so that we only needed 20 reports a day. After a few dead ends, someone suggested that we put the reports in a set of pigeonholes at the side of the trading floor. "That will never work" someone said (I had yet to get them used to the rules of Brainstorming) "they never leave their desks". Since Catering was another of my departments, I knew how much coffee was consumed each day and suggested that because of this they probably did leave their desks, if for no other reason, than to go to the toilet. "Fantastic, let's put the pigeonholes next to the toilets!" The team set about talking to their colleagues in the facilities team to get a quote for a set of pigeonholes made from appropriately elegant timber. They were a bit worried when they found out that they were going to cost £400 but when I gave them a rough idea of the cost of printing and shipping each report they realised that this was a very small investment.

Finally we had to agree how to let people know what reports were in each pigeonhole. My secretary volunteered to join the meeting and quickly suggested that she could call New York each evening and get the titles for the reports that would be shipped that night. She could then type up a list that would be updated everyday with the report title and the pigeonhole number.

Everything was ready to go and we asked New York to only send us 20 copies of each report for internal distribution. I still recall the enraged telephone from the head of research in New York asking me what the heck I thought I was doing, how I would undermine the competitive position of the firm etc. etc. I politely asked for permission to test the system for a week, and if he was right, I would, at my own cost, fly to New York so that he could give me a public dressing down on the New York Trading Floor in front of 800 people. An offer he simply could not refuse!

By the end of that week, there had been no complaints; we had not run out of any reports, indeed several traders rang to thank us for no longer filling their bins with "rubbish". The reports were on the floor by 1:30, at least two hours earlier than before, thus improving service levels and we saved at least 2 man days in the mailroom, which made up for the two people who had recently been made redundant.

But we didn't stop there. I asked my secretary to work with the team to produce a short report that detailed what we had done, how we had done it and most importantly how it had improved service and reduced costs (£2 million per annum in printing and shipping costs alone). We then held a meeting for the 60 people in my area so that the mailroom could share their success with everyone, and offer their creative services to anyone else who was looking for help. This delightfully cheeky offer drew laughter and applause but also set up an interesting and friendly competitive spirit across the department.

I took a copy of the report to the CEO of London and asked him to do me two favours; first to invite the head of research in New York to come to London to look at the new system and secondly to write a personal note to each of the team that had had the idea in the first place. To his credit he did both, personally delivering the letters to the mailroom.

Three weeks later a company edict was issued from New York, telling all offices around the world to follow this new system. Sadly my team were not properly credited BUT they knew that they had influenced the whole company and were proud to have done so. The rest of my teams took up the challenge laid down by the mailroom, and over the next 18 months, we reduced our non-staff costs by more than 50% and there were no further redundancies. The most exciting result was that having been the part of the business that was always the subject of complaints and lacked the respect of the rest of the business, we were at last valued for our contribution and treated with respect by the rest of the firm.



## So what were the steps to engaging people through creativity?

- 1) **Allow them to express honestly how they are feeling about the situation** and don't get defensive. If you try and defend "your position" they will subconsciously feel that you will always act in a similar way if they bring you new ideas.
- 2) **See the world through their eyes.** You may know exactly what is being done in your area of responsibility, I personally had no idea what the day in the life of the mailroom felt like, but until you can empathise with their problems it is hard to help them find solutions.
- 3) **Give them time.** If your people have been working for years doing what has been passed down to them, and doing it because "this is the way that it is done". Don't expect them to suddenly wake up as creative experts.
- 4) **Let them find what is in it for them to change.** For my mailroom team, they obviously wanted to reduce their workload so that they could cope, but the biggest driver was the need to feel that their work was valued.
- 5) **Coach and guide them to find the solution.** Even if you can see a solution, and quite honestly the idea of pigeonholes came to me on day one, don't offer it. They need to be the heroes.
- 6) **Give them the information that they need.** You will have data that they don't (In my case, the coffee bill and the costs of production and shipping), without this data they cannot make decisions.
- 7) **Be the champion to the rest of the business** and be willing to take the consequences if it doesn't work. If the sacrifice that I had to make to inspire my team to look for alternative solutions was to be embarrassed in front of 800 jeering traders in New York, then so be it.
- 8) **Document what has happened** to help your people to recognise their achievements so that they understand the true impact of their ideas. We worked out that by implementing this solution across the global business; the firm saved about £5 million per annum. Make sure that you present their successes as their successes to the rest of the firm. You will eventually be recognised as a leader of an engaged and creative team, which is after all what you are being paid for. The credit is theirs!
- 9) **Let them create an environment of friendly competition;** and manage it to make sure that it stays friendly! In those 18 months, I was never asked for a special bonus or awards to be issued. Yes of course I took teams out occasionally for a drink when they came up with great ideas, but the fuel for change was their desire to be valued and create a more enjoyable place to work.

### **Another Case of Creativity in the Workplace**

*Disney World Parks in Florida has an effective approach. Every month they get their teams together and ask: "What are our guests doing that makes their visit less enjoyable and which we could help to solve?"*

*When someone says something like "They keep losing their car keys in the Park" they are asked "how many times does this happen each day?"*

*If they don't know they spend the next week monitoring the problem to assess its severity before meeting again to discuss it. After all there is no point finding a £½ million solution to a £50 problem.*

*If the problem is deemed to be sufficiently serious to need a solution, it is always the team that will be responsible for designing, proposing and implementing the solution; after all they have to make it work. The leader's job is to make sure that the naive questions are asked and that the team is coached to find their own solution.*

**Chris Howe**  
Chief Executive  
**ChangeMaker International**