

Observation and Leadership

In a recent *strategy + business* article, Tim Laseter and Larry Laseter, independent consultants with more than 20 years of operations management experience put forth the idea that firsthand observation on the front lines can offer the critical insights that make for inspired — and inspiring — leadership.

Sam Walton discovered the advantages of centralized checkout counters by taking a 500-mile bus trip to visit a competitor in 1951. In the 1960s, Taiichi Ohno, the father of the Toyota production system, trained his managers by having them stand in a small circle on the factory floor for eight-hour stints simply observing the manufacturing process. Today, Jeff Immelt, CEO of GE, spends 60 percent of his typical 100-hour workweek on the road.

Great leaders understand something that is often lost in today's world of global connectivity, where an overabundance of data is accessible with a few keystrokes. Computer-generated reports certainly play an important role in management, but the critical insight needed for effective leadership can come only from firsthand contact. The best executives get out of their offices and away from their computer screens to observe their frontline employees, competitors, customers, and suppliers.

The authors offer many more real world examples of how to get the most out of a regimen of firsthand observation by implementing the following principles.

Go and See

No company embraces the principle of firsthand observation more than Toyota. A philosophy of *genchi genbutsu*, literally translated as “go and see,” permeates the organization from the manufacturing floor to product development and even corporate staff functions.

Prepare to Learn

In his autobiography, Wal-Mart founder Sam Walton commented, “Most everything I've done I've copied from someone else.” Walton, like other great leaders, was a true student of his industry, always seeking out new learning opportunities.

Look for Problems

Although benchmarking visits may suggest a focus on solutions, the real power of observation comes from finding the problems. Disney “Imagineers,” members of the creative group responsible for developing park attractions, spend substantial time in the company's various theme parks watching guests. Such observations have led to creative solutions to the inevitable problem of waiting in line.

Seek Out Root Causes

Some problems may suggest obvious solutions. In most cases, however, solutions are not obvious, and identifying a problem's root cause becomes a critical part of firsthand observation. Toyota, always seeking the simple but avoiding the simplistic, searches for root causes by applying the “Five Whys” principle: asking several “why” questions in order to determine a problem's genesis.

Teach Others to Observe

Tom Taylor, former executive vice president of merchandising for The Home Depot stores, explains how frontline visits offer opportunities to learn and to teach by looking for problems from a customer perspective. HD employees now go to the front lines to see what is happening and think about their decisions from a customer's perspective.

The well-meaning leader who considers management an art equally applicable across any industry, be it aircraft engines or banking, can never match the leader who truly understands the business at hand and continually invests the time to learn more about it. Embracing firsthand observation as an integral part of your personal management style and embedding it in a company's culture connects everyone to reality and forces a collaborative, problem-solving mind-set that can produce enduring results rather than just temporary improvement.