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The Smart-Talk Trap

by Jeffrey Pfeffer and Robert I. Sutton

See also:
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by Alan Webber
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The Smart-Talk Trap

BY JEFFREY PFEFFER AND ROBERT I. SUTTON

The key to success in business is action.

But in most companies, people are rewarded for talking – and the longer, louder, and more confusingly, the better. The good news is, there are five strategies that can help you avoid the trap.

CONSIDER TWO STORIES, both sadly true and sadly typical.

- An international metals and oil company was posting terrible numbers – sales and profits were down, as was share price. The company's senior executives were mortified by the results; they knew major changes in strategy and operations were imperative. Their response: to spend at least half their time in darkened rooms, watching elaborate presentations about the company's performance.
- Faced with a worrisomely slow time-to-market for its new products, a large furniture company conducted a careful benchmarking study. The results were clear: a project-based organizational structure would help solve the problem. But more than a year later, the company had not instituted a single change. Senior executives, although uniformly supportive of the idea of restructuring the organization, were still discussing it in meetings that ended with...decisions to have more meetings.

At the center of both stories is a particular kind of inertia that plagues companies of every size and type. In our four years of research at nearly 100 companies, we observed it at global conglomerates and at 20-employee start-ups, at capital-intensive manufacturers and at knowledge-driven service firms. It is not the inertia of indifference or ignorance but of knowing too much and doing too little. We call this phenomenon the *knowing-doing gap.*

Most executives know what they should do when their companies get into trouble – when sales slip or customer satisfaction erodes or productivity and quality problems emerge. To plot a course, they can draw on their own experience and insight, their colleagues' ideas, and the reams of data produced by sophisticated information systems. If that's not enough, they can tap into the myriad resources that exist outside the walls of their own companies – the 1,700 business books and thousands of articles published every year, the legions of management consultants armed with the latest tools and concepts, the dozens of gurus making the rounds on the

Jeffrey Pfeffer *is the Thomas D. Dee Professor of Organizational Behavior at Stanford Business School in Stanford, California.* ***Robert I. Sutton*** *is a professor of organizational behavior at the Stanford Engineering School, where he is also codirector of the Center for Work, Technology, and Organization. Pfeffer and Sutton are authors of* The Knowing-Doing Gap: How Smart Companies Turn Knowledge into Action, *forthcoming from Harvard Business School Press in October 1999.*

speaking circuit. In today's business world, there is no shortage of know-how.

But all too often, even with all that knowledge floating around, nothing happens. There's no *doing*. Yes, some companies are adept at translating ideas into action. A handful are even famous for it, such as General Electric, IDEO Product Development, and AES Corporation. But they are the exceptions. Most organizations have trouble bridging the knowing-doing gap. Brought to a standstill by inertia, their problems fester, their opportunities for growth are lost, and their best employees become frustrated and leave. If the inactivity continues, customers and investors react accordingly and take their money elsewhere.

What causes the knowing-doing gap? It can often be traced to a basic human propensity: the willingness to let talk substitute for action. "Between the conception / And the creation / Falls the shadow," T.S. Eliot wrote in "The Hollow Men," his great poem about human inertia. In business, that shadow is composed of words. When confronted with a problem, people act as if discussing it, formulating decisions, and hashing out plans for action are the same as actually fixing it. It's an understandable response – after all, talk, unlike action, carries little risk. But it can paralyze a company.

That's exactly what Xerox discovered in the 1980s, when the company's executives decided that quality improvements were necessary to bring down costs and raise customer satisfaction. Over the next four years, employees at every level attended an almost endless series of meetings and off-site conferences to discuss the quality initiative. About 70,000 employees received six days of training each, and executives created a 92-page book of implementation guidelines.

But all that talking was just hot air. In 1989, a Harvard Business School case study on the project revealed that there had been very little change in the attitudes of Xerox's managers toward quality. Few concrete decisions had been made to change the quality of the company's products. Nor had beliefs and behaviors been altered. For instance, only 15% of Xerox employees said they believed that recognition and rewards were based on improvements in quality, and only 13% reported using cost-of-quality analyses in their decision making.

Meaningful action occurred only when Xerox was required to document concrete quality improvements – and the managerial processes that led to them – as part of its application for the Malcolm Baldrige Quality Award. The company's Business Products and Systems division then went into overdrive to implement change and eventually won the award. But who knows how many growth opportunities had passed the company by during the years of empty talk? (For another example of the knowing-doing gap at work, see the insert "The Empty Words of Mission Statements.")

The Empty Words of Mission Statements

Mission statements provide a familiar example of how executives allow talk to substitute for action. Several securities firms and investment banks we studied had spent long hours crafting elegant mission statements that extolled the values of teamwork, integrity, and respect for the individual. But partners at those firms treated their young analysts like short-term contractors. They not only gave them work that wasn't commensurate with their skills but also were often openly impolite and even abusive.

When we mentioned that to the leaders of one of the investment banks, they reacted with incredulity. Disrespectful behavior was precluded by their mission statement, they said – it couldn't be happening. But it was, because the managers had let a plaque on the wall substitute for action. The executives assumed that saying something made it so. Reality, however, proved that merely saying something guarantees nothing. When it comes to mission statements, it is often as Eileen Shapiro suggests in her book, *Fad Surfing in the Boardroom*: they are little more than "a talisman, hung in public places, to ward off evil spirits."

Sometimes they don't even do that.

We found that a particular kind of talk is an especially insidious inhibitor of organizational action: "smart talk." The elements of smart talk include sounding confident, articulate, and eloquent; having interesting information and ideas; and possessing a good vocabulary. But smart talk tends to have other, less benign components: first, it focuses on the negative, and second, it is unnecessarily complicated or abstract (or both). In other words, people engage in smart talk to spout criticisms and complexities. Unfortunately, such talk has an uncanny way of stopping action in its tracks. That's why we call this dynamic the *smart-talk trap*.

Why Talk Prevails

Managers let talk substitute for action because that's what they've been trained to do. Many executives in contemporary organizations have been to business school, and even those who don't have

M.B.A. degrees often attend executive education programs taught by business school faculty. What do they learn in those programs? That the ability to talk – and particularly to talk smart – pays.

Smart talk is the essence of management education at leading institutions in the United States and throughout the world. Students learn how to sound smart in classroom discussions and how to write smart things on essay examinations. A substantial part of students' grades is usually based on how much they say and how smart they sound in class. As Robert Reid recounts in his book, *Year One: An Intimate Look Inside Harvard Business School:* "My general concern about class participation increased throughout the week.... My urgency was heightened by the fact that grades (and First-Year Honors! And McKinsey!...) depended so heavily on in-class commentary.... The opportunity to speak was such a precious commodity that most people were terrified about blowing it by saying something shallow, repetitive, or...stupid when they were finally called on."

Grading students on class participation makes pedagogical sense. It encourages them to think carefully about what they are reading. But telling students that they must sound smart in order to succeed has a pernicious effect as well. They learn that they need only to deliver an intelligent insight – or an intelligent critique of someone else's insight – to impress their professors. They don't actually have to implement the recommendations or act on the insights that emerge in the conversation.

Compare business education with the training people receive when their performance is a matter of life or death. Soldiers, pilots, and surgeons all receive classroom training, of course, but it quickly turns into learning by doing. The military requires soldiers to perform the very maneuvers that will be necessary during wartime. Pilots get into the cockpit and take off. In surgery, there is an old saying that describes how residents learn a procedure: "Hear one, see one, do one." In business education, the saying would go, "Hear one, talk about one, talk about one some more."

Once in the workplace, business school graduates continue to be rewarded for talking. The value of smart talk is particularly reflected, and reinforced, in one of their most popular career choices: management consulting. (See the insert "The Price – and Value – of Advice.") But even in traditional nuts-and-bolts industries and high-tech start-ups, talk carries currency. Because management today revolves around meetings, teams, and consensus building, the more a person says, the more valuable he or she appears. Our observations of contemporary organizations show that people who talk frequently are more likely to be judged by others as influential and important – they're considered leaders. We once asked a new division manager why she had been selected for the job over several others. "They gave me the job because I couldn't keep my mouth shut and wouldn't let anyone else say anything," she answered with a laugh, "and now that I'm the boss, they expect me to talk even more than before."

The manager's implicit theory – although said in jest – is supported by numerous organizational and anthropological studies. The studies all suggest that some people talk more than others in order to come out on top in a group's "conversational marketplace." The research also supports what Bernard Bass, in the classic summary of scholarly studies on leadership, *Bass and Stogdill's Handbook of Leadership*, has called the "babble" or "blabbermouth"

The Price – and Value – of Advice

Having learned that smart talk brings good grades, many business students throng to strategy consulting, where they discover that smart talk brings big bucks as well. What, after all, do consultants do? More to the point, what is their output? Reports and presentations filled with sharp-looking overheads!

That is not to discount the value that consultants can add. Some firms offer their clients rare and useful insights on the macroeconomy. Others offer industry expertise, best practices in systematic data gathering, or valuable new perspectives on old problems.

What they don't provide is implementation. While many strategy consulting companies now claim that they specialize in implementation, most remain firmly entrenched in the business of providing advice and make only an occasional foray into putting that advice into action. (To be fair, consultants might like to make more forays: they routinely complain that their reports and presentations do not lead to organizational action.)

If you're a young business school grad, the consulting life is certainly attractive from a monetary standpoint. You can go into industry, become a plant manager, and make maybe $80,000 or $100,000 a year. Or you can go into the business of talking to the plant manager and make about twice as much. The difference in dollars not only sways career choices, it also sends a clear message about the value the economy places on being able to run something versus being able to talk about running something. The knowing-doing gap reflects that message. People know it makes sense – and cents – to know rather than to do.

theory of leadership. The theory states that people who talk more often and longer – regardless of the quality of their comments – are more likely to emerge as leaders of new groups, to be identified as leaders by observers of the group, to be viewed as influential by both group members and outsiders, and to have greater influence on group decisions.

People who want to get ahead in organizations learn that talking a lot helps them reach their goal more reliably than taking action or inspiring others to act does. And once people reach the heights, they are expected to talk more than ever. By dominating the group's "airtime," they let everyone know who's in charge.

There's another reason why talk – and especially smart talk – is so highly rewarded in organizations. Executives are constantly required to make important decisions about whom to hire, fire, promote, and assign to particular tasks. They often make those decisions based on limited information about the individuals in question. That's because in large, complex companies, they can't really know what every person has accomplished. It's just not visible. The organization's performance comes from the actions of many interdependent people, so discerning any one person's contribution is fraught with the potential for error. Moreover, people switch jobs so often these days that it is often hard to assess precisely what they have done.

What an executive can know more easily is how smart a person sounds. That information is easily accessible through routine meetings, presentations, and everyday conversations. Of course, it is also incomplete, but that's beside the point – it's right there for executives to observe and judge. In fact, at least three research studies – conducted by psychologists from the late 1950s through the early 1980s – demonstrated that interviewers made up their minds about job candidates within the first minutes of a conversation. The judgments were based on candidates' perceived intelligence – that is, on how smart they sounded.

People will try to sound smart not only by being critical but also by using trendy, pretentious language.

The fact that people get hired, promoted, and assigned to coveted jobs based on their ability to sound intelligent, and not necessarily on their ability to act that way, is well known in most organizations. People have seen it happen all too often. The received message is: Don't worry about your accomplishments, just make sure you sound good. That message doesn't inspire people to leap into action – it often has the opposite effect. And thus the knowing-doing gap widens.

Criticism and Complexity

It is difficult, perhaps, to blame people for using smart talk to do well in school or to move up the career ladder. Likewise, one can sympathize with an overwhelmed executive in a large global company who may be overly impressed with a job candidate's ability to sound smart. But the more negative components of smart talk – the tendency to tear an idea down without offering anything positive in its place, and the belief that complex language and ideas are somehow better than simple ones – cannot be rationalized so easily.

At a global financial institution we studied, junior executives made a point – especially in meetings with their bosses present – of trashing the ideas of their peers. Every time someone dared to offer an idea, everyone around the table would leap in with reasons why it was nothing short of idiotic. Senior executives didn't try to stop the verbal fray. Sometimes they even nodded approvingly as smart-sounding faultfinders critiqued ideas to death.

The evidence that being critical of others makes a person appear smarter is not just anecdotal. Teresa Amabile, a professor at Harvard Business School, confirmed the point in a 1983 study called "Brilliant but Cruel." Amabile found that people who wrote negative book reviews were perceived by others as being less likable but more intelligent, competent, and expert than people who wrote positive reviews of the same books. She summarized her findings by noting, "Only pessimism sounds profound. Optimism sounds superficial."

So true – and so easy to connect to the knowing-doing gap. If those with the courage to propose something concrete have been devastated in the process, they'll either leave or learn to be smart-talkers themselves. As a result, a company will end up being filled with clever put-down artists. It will also end up paralyzed by the fear and silence those people spawn.

People will try to sound smart not only by being critical but also by using trendy, pretentious, or overblown language. Take the case of a software company that gave its employees laptop computers to provide them with access to e-mail and the Internet at home. Its executives described the initiative as a "transformation to a virtual organization." The jargon led people to believe the laptops were part of a massive reorganization. That resulted in scary rumors – "Our office is closing and we're all going to have to work from our homes." In reality, the executives wanted employees to use new technology to make their working lives more flexible. It took them several weeks to quell the rumors and get people focused on their work again. By using fancy language to describe a simple plan, the executives lost people's trust and slowed the adoption of the e-mail system.

Sometimes managers themselves don't know what they're talking about when they use complex language, as we discovered when we asked a number of them to define some of the terms they used frequently – such as "learning organization," "business process reengineering," "chaos theory," and "paradigm." In many instances, the executives couldn't offer any definition at all, or if they gave one, it was woefully vague. Imagine the chilling effect such confusion might cause. It is hard enough to explain how to put a complex idea into practice when you understand the idea. It is impossible when you don't.

Executives don't just pepper their talk with complex language, they also latch on to complex concepts with great gusto. Rare is the manager who stands before his or her peers to present a new strategy with a single slide and an idea that can be summarized in a sentence or two. Instead, managers congratulate themselves and one another when they come up with ideas that are so elaborate and convoluted they require two hours of multipart, multicolored slides and a liberal sprinkling of the latest buzzwords.

The common rationale for complex concepts does, on the surface, appear to make sense. It is as follows: In order to thrive, companies must develop a sustainable competitive advantage, which requires doing something that is difficult to imitate. It is harder to imitate complex strategies and the management systems that go with them than it is to copy simple ones. Thus competitive advantage is built by doing complicated things. A corollary is that simple prescriptions are not of much value. After all, if simple ideas really worked, everyone would already be using them. The same logic applies to old ideas. Surely if old ideas could help companies, they would be put into practice everywhere. The conclusion is this: only rare and complex concepts are worth adopting.

But while it's true that sustainable competitive advantage is built by doing things that are difficult to imitate, complex strategies are not the only ones that are hard to copy. Ease of comprehension should never be mixed up with ease of implementation. "Simple" strategies can be tough to implement – and thus imitate. Take three straightforward practices: decentralization, information sharing, and treating people with respect. Decentralization requires managers to give up decision-making power, which is one of the hardest feats they can be asked to perform. Similarly, information sharing entails giving up the power and prestige that come from knowing things that others don't. And thousands of companies prove the point that treating people with respect, although easy to talk about and easy to grasp conceptually, is difficult to put into practice.

Rare is the manager who presents a new strategy with a single slide and an idea that can be summarized in a sentence.

We're not claiming that complex language and concepts never add value to an organization. We are saying that they bring a lot less value than most executives realize. In our research, we observed that the most common reaction to complexity was confusion. And it's an unusual company that can act effectively when its people are confused.

Shutting the Trap, Closing the Gap

We're not arguing for an end to conversations, meetings, or presentations, or that people should stop trying to sound smart. The right kind of talk can inspire and guide intelligent action. It's just that talk can't be allowed to become a substitute for action. Fortunately, not all organizations are plagued by the knowing-doing gap. Some have managed to avoid the smart-talk trap. In those companies, people consistently say smart things, then do them. What typifies such organizations? Our research suggests that they share five characteristics.

They have leaders who know and do the work. Companies that use talk productively – that is, to guide and spur action – are usually led by people who have an intimate knowledge of the organization's people, products, and processes. Such leaders are frequently homegrown, but even if they aren't, they make it a priority to learn and do the work, take part in teams, serve customers, and oversee manufacturing operations. Take James Goodnight, CEO of SAS Institute, a $750 million software company that has experienced 22 years of double-digit growth. Goodnight spends 40% of his time programming software and leading product development teams. You are just as likely to find him in an

R&D building as in his office. Similarly, at Men's Wearhouse, a successful chain of more than 400 outlets, CEO George Zimmer and other senior executives regularly visit their stores. Regional and district managers also spend time on the floor, coaching salespeople and talking with customers.

Leaders who do the work, rather than just talk about it, help prevent the knowing-doing gap from opening in the first place. Working on the front lines keeps them in touch with the organization's real capabilities and challenges; that experience allows them to play a critical role in turning knowledge into action. Goodnight, for example, thoroughly understands SAS's emerging technologies and daunting scheduling demands. His firsthand experience showed him that when exhausted people try to program software, they make more errors. That insight led him to set the company's workweek at 35 hours, with two results: first, SAS needs fewer programming checkers (which saves money), and second, it releases software with fewer bugs (which keeps customers happy).

Equally important, because they are intimately familiar with the real work of the organization, such executives are less likely to be taken in by fancy words and complex plans that are fancy and complex for their own sake. It would be impossible, for instance, for an SAS executive to sell Goodnight on a complicated plan to accelerate the company's production schedule without also providing a solid assessment of manpower requirements and a cost-benefit analysis that rang true. Likewise, no one at Men's Wearhouse could convince Zimmer to approve a "promising" new training program or marketing campaign that was riddled with implementation problems. Leaders who know and do the work can cut through the smart talk.

They have a bias for plain language and simple concepts. Companies that avoid the knowing-doing gap are often masters of the mundane. Executives devote their efforts to a few straightforward priorities that have clear implications for action. These organizations realize the value of direct language and understandable concepts. They consider "common sense" a compliment rather than an insult.

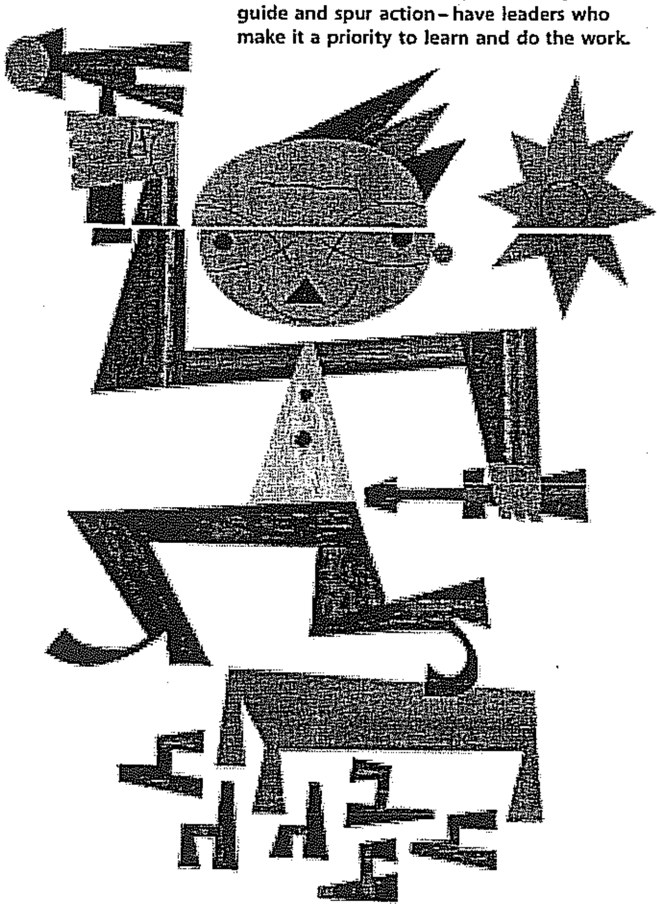
When Greg Brennemen, president and COO of Continental Airlines, led the turnaround that improved the company's on-time performance from worst to first in one year, he used a shockingly simple plan. He rebuilt relations with the employees who actually kept the planes going and served the customers, and he emphasized the need to provide better customer service and to fly on time. Brennemen's straightforward plan worked better than the several elaborate multimillion-dollar bailout attempts that preceded it.

Plain talk and simple concepts are valuable because they are more likely to lead to action. You may disagree with a simple plan, but you can't claim confusion as an excuse to ignore it. Plain talk and simple concepts are marching orders.

A case in point is Apple Computer. When Steve Jobs took over in July 1997, Apple's computer platforms included the 1400, 2400, 3400, 4400, 5400, 5500, 6500, 7300, 7600, 8600, 9600, the 20th-Anniversary Mac, e-Mate, Newton, and the Pippin. After listening to insiders explain the product line to him for three weeks, Jobs said, "I couldn't figure it out. We couldn't even tell our friends which one to buy." The complexity not only confused customers, it also meant that people inside Apple were often unsure about where to focus their product-development and marketing efforts. And it gummed up production.

Jobs quickly decided that Apple could meet the needs of its customers with "four great products." Next, he got the clear message out: Apple would make one product in each category – business desktops, business portables, consumer desktops, and consumer portables – and would discontinue every-

Companies that use talk productively – to guide and spur action – have leaders who make it a priority to learn and do the work.



thing else. After two years of "working like crazy, trying like crazy just to do that," Apple has the hottest-selling computer in the land, the iMac, and has returned to profitability.

They frame questions by asking "how," not just "why." In companies where a culture of criticism flourishes, few people are willing to proffer ideas, and even fewer have the guts to throw themselves into action. Failure always brings a chorus of "I told you so" from the put-down artists, who, by the way, rarely allow themselves to face the firing line by taking on a project that requires real work.

Some companies, however, prevent a culture of criticism from developing by having informal rules about the way ideas are analyzed. People are permitted to raise objections to plans and concepts, but they can't just ask, "Why would we do such a thing?" Instead, they must suggest how it would be possible to surmount the obstacles they foresee. In other words, the conversation focuses not on faults but on overcoming them.

Donald Regan was a master of framing "how" questions. Regan ran Merrill Lynch in the 1970s, just as financial service companies were confronted with the invention of the cash management account (CMA), which linked checking accounts, credit cards, money market funds, and traditional brokerage services. Although CMAs are now common, in the 1970s they were a tremendous innovation and promised Merrill Lynch a competitive advantage if it could exploit them on a large scale.

Regan hired the consulting firm SRI to help Merrill Lynch assess the implications of entering the CMA market. After a three-month study, the consultants presented a strongly positive report to Regan and his top team. An executive who was there recalled what happened next:

"Regan went around the room getting comments from the other senior executives. They all saw problems. The operations vice president noted that it now cost the firm many dollars to process a transaction. That was fine when the transactions were securities purchases and sales, for which the commissions were large. But when the transactions were deposits in money market accounts or checks written on such accounts, the company would have to be able to process them for only cents per transaction. The systems simply were not able to handle the task. Then the legal vice president noted that the CMA ideas would in effect turn the firm into a bank, making it subject to much more stringent regulation. It would have to go through the difficult process of obtaining charters and regulatory approvals. And the marketing vice president noted that banks were currently some of Merrill Lynch's best customers. They would certainly be offended if the firm became a competitor and might take much of their business to other securities firms."

Regan did not dismiss the problems. After all, they were genuine and difficult barriers to implementation. But he said that he had decided to proceed because of the importance of the product to the company. Then he asked, "The question is, How do we solve the problems you described so articulately?"

The story about Regan underscores an organizational reality. There will always be discussion in companies, but executives have it in their power to determine its character. People can use their voices either to find fault or to find fault and then fix it.

They have strong mechanisms that close the loop. Not all talk is aimless, of course. Sometimes it does lead to a decision to take action. But at companies that suffer from the knowing-doing gap, the process ends with the decision. The companies in our study that bridged the gap, however, had effective mechanisms in place to make sure decisions didn't just end on paper but actually got implemented.

The mechanisms come in many and varied forms. At Cypress Semiconductor, for instance, when people commit to do something by a certain date, that information is entered into the company's computer system. If they fail to meet the deadline, they may find that their computers don't work. Other companies routinely assign specific people the responsibility of ensuring that decisions get turned into action; those people are held accountable for reporting on results at a meeting with executives. At still other companies, no meeting ends without a written record of who is going to do what by when; that record is then circulated or posted for all to see. Such peer pressure can be a remarkably powerful impetus for action.

Closing the loop – following up to make sure something actually happens after it has been decided on – isn't a very complicated idea. But it is a potent means for preventing talk from being the only thing that occurs.

They believe that experience is the best teacher. Finally, companies that elude the knowing-doing gap follow a very out-of-fashion practice in this age of seminars, training programs, instructional CD-ROMs, and distance learning. They make the process of doing into an opportunity to learn. Sometimes they even leap into a project before they are completely sure it will work, just to learn from the experience. Or they launch initiatives before every last detail is ironed out. How daring – and how smart!

At IDEO Product Development, one of the largest and most successful product-design consulting firms in the world, CEO David Kelley likes to say that "enlightened trial and error outperforms the planning of flawless intellects." IDEO believes in building prototypes – not fancy or expensive prototypes, but models that will permit its engineers to learn something. Its headquarters are filled with models, toys, and gizmos that help people think creatively about design and technology, initially on a small scale. Says engineer Peter Skillman, "Rapid prototyping is our religion. When we get an idea, we make it right away so we can see it, try it, and learn from it." The company also believes in "failing early and failing often" – which is sensible when you consider that the alternative is to fail late and fail big.

The dramatic turnaround of Bayport Terminal in Seabrook, Texas, is another case that demonstrates the benefits of using action as a teacher. Before 1994, the terminal, operated at the time by the chemical group of Hoechst Celanese Corporation, loaded nearly 3 billion pounds of chemicals per year into drums and onto ships, barges, and trucks. Then Annette Kyle became its manager.

Kyle quickly discovered that most of the practices used at the terminal were the same as they had always been, even though the volume of material it handled had increased dramatically since it opened in 1974. The terminal was enormously inefficient. For instance, it was paying about $2.5 million a year in demurrage fees. (The company running the dock pays such fees to a ship when it is unready to load or unload that ship immediately upon its arrival. While the ship waits, the penalty is about $10,000 per hour.) Kyle was also troubled to find that it took people at the terminal an average of three hours to load a truck, even though the industry average was less than one.

After Kyle had spent a year learning the ropes, she and her staff orchestrated a revolution at the terminal to address those problems. Rather than talk, they plunged into action. In a period of just a few days, they made sweeping changes. They eliminated direct supervisors, assigned areas of responsibility, installed self-managing teams, and implemented metrics that allowed every employee to see how well the terminal was keeping pace with the work.

The positive effects of the change were evident almost immediately. Demurrage fees dropped from more than $1 million in the first half of 1995 to less than $10,000 in the first half of 1996. Also in the first half of that year, more than 90% of the trucks were loaded within an hour of their arrival. Although the employees were shocked by the changes at first, they soon learned – by doing – new and better ways of working. And according to employee attitude surveys conducted by independent researchers in May 1996, they were highly satisfied with those changes.

Interestingly, one of the reasons Kyle's revolution succeeded was because it was reinforced by the practice of framing questions with "how" in addition to "why." Kyle believed that one of the biggest barriers to change was that people constantly whined about things but didn't take responsibility for making them better. She had "No Whining" patches sewn on everyone's uniform and explained that complaining about something without trying to do anything about it was not acceptable. If employees found something wrong, it was their job to fix the problem. And if they couldn't fix it, they were to bring the problem to Kyle or to another team leader, who would then be responsible for doing everything possible to fix it.

The Bayport Terminal story is a good example of how the five practices that mitigate the knowing-doing gap reinforce one another. To begin with, Kyle understood the work that was done at the terminal; she spent a year learning its functions and becoming familiar with people before launching her revolution. Once the transformation was under way, she explained its purpose in clear, simple language, and she recast discussions to focus on solving problems, not simply on identifying them. As for closing the loop, Kyle instituted the regular practice of gathering and publishing company performance figures.

The Rewards of Action

In the course of our research into the knowing-doing gap, we met a consultant who was making a proposal to a large U.S. bank that was in good financial shape but wanted to do better. The consultant told us that as he and his team of eager colleagues put their proposal together from data provided by the bank, they came upon reports assembled for the bank by four other consulting firms over the past six years. The recommendations were identical. Why, asked the consultant, would anyone pay for the same answer five times? How crazy is that?

Very. But it is also altogether common. Businesspeople love to talk, which is fine when it leads to action. When it becomes a substitute for getting things done, shareholders, customers, and employees pay a price – and often executives do, too. The simple fact is, you can't take words to the bank, no matter how smart they sound. But when you close the knowing-doing gap, you discover the rewards of action.

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