RANDOM HOUSE eBOOKS

Follow This Path

Curt Coffman & Gabriel Gonzalez-Molina

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About the Book

When it comes to getting ahead in business, The Gallup Organization has led the way with two landmark books: the *New York Times* and *Wall Street Journal* bestsellers *First, Break all the Rules* and *Now, Discover Your Strengths*. In this new book the world's hottest management consulting firm reveals your company's most valuable asset – and, with groundbreaking new findings and methods, shows you how developing that asset can lead to a quantum leap in cost efficiencies and profits.

Organizations are being forced to find new and sustainable advantages to obtain superior performance and value. Employees traditionally viewed as an 'intangible' asset, have emerged as the key to sustainable growth and profitability. It is not just 'people', but a system of linked practices that capitalize on people's potential for best performance, one individual and work-unit at a time, which in turn drives sustainable increases in productivity, customer loyalty, growth and profitability.

Follow This Path offers another breakthrough business book from The Gallup Organization and challenges key management assumptions about how to grow and be profitable.

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FOLLOW THIS PATH

HOW THE WORLD'S GREATEST ORGANIZATIONS DRIVE GROWTH BY UNLEASHING HUMAN POTENTIAL

CURT COFFMAN and
GABRIEL GONZALEZ-MOLINA, Ph.D.

BUSINESS
BOOKS

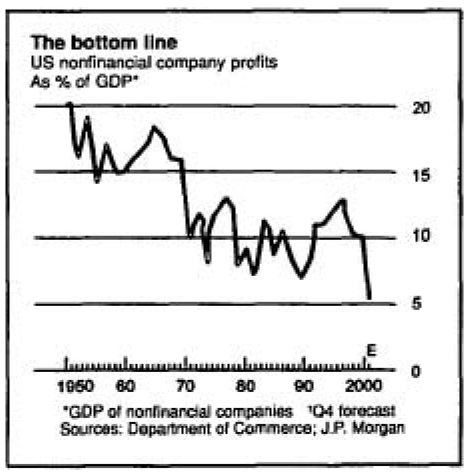
For my beautiful and very talented wife, Tammy, whose strength, challenge, and love have always kept my purpose clear.
—Curt W. Coffman

For the emotional memory of Ignacio and Josefina, my parents.
For Belinda, Gabriel, and Jose Ignacio, the emotional markers of my lifetime.
—Gabriel Gonzalez-Molina

FOREWORD

I am haunted by a two-inch graph that appeared recently in *The Economist*. Although the graph is small and very simple, it could be the most important business story this executive has ever seen. I cannot understand why it was not on the front page of every newspaper in America.

Maybe everyone knows why except me. Here is the graph.



The Economist, December 8, 2001, p. 65.

You and I do not need to send this graph to our research departments for translation. It tracks the “percent” of profit of all nonfinancial companies in the United States over the last fifty years. One thing you could do is apply a little math to determine when American free enterprise will go broke.

What you see is a relentless fifty-year force gradually squashing the profit out of American companies. It is a monster stalking each and every one of us. Now, all of us have our time in the sun, when our product is unique, we have a strong market share, and we enjoy almost no clear competition. This situation might be driven by anything from great innovation to simply being the first to open pizza parlors in our neck of the woods. Or it might be the result of government regulations that suddenly enable us to achieve decent margins.

For example, at one point in history Dr. Gallup offered the only poll in the country. He made terrific margins as virtually the only game in town. Now there are roughly five-thousand organizations offering the same methodologies. The same thing has happened in lots of other industries. I remember when the telephone bills at Gallup were 30 cents per minute; AT&T charged us $3 to conduct a ten-minute interview. We now pay about 3 cents a minute to MCI. So a ten-minute interview costs us 30 cents compared to $3.

The frightening question is: Are we great customer managers or have we just talked a good game at company conferences, and at the end of the day become merely the world’s biggest price slashers? The story of “the graph” is that you make your discoveries, build your new inventions, make great margins, and then ride the razor blade down to zero.

Again, the conclusions and implications from this graph tell a thousand stories—all of them haunting.

Let’s go back to the telephone industry. Was this industry driven by twenty years of magnificent marketing and leadership by AT&T and MCI, and eventually Sprint, or was it driven simply by MCI slashing the once great margins of Ma Bell? Did WorldCom take over because its chief could somehow endure the razor-blade ride longer, and therefore keep slashing prices? Were the telephone wars just twenty years of controlled price slashing? Could the same be said of automobiles, computers, retailing, and on and on?

Recently, we have all developed great expertise as “cost cutters.” We were terrible at this twenty-five years ago, but we listened closely to Dr. Edwards Deming and Dr. Joseph Juran, and they showed us how to greatly lower production costs—brilliantly—by "reducing variation." We supported this movement because it meant we could cut prices more. It slowed our ride down the razor blade.

"Reengineering." We all did this and it also worked. In fact, we saved a bunch of money at Gallup by applying the theories of both of these significant corporate leadership movements.

We have been quick to learn how to cut prices, but we have learned virtually nothing about how to grow margins. This ignorance leads to a desperation that accompanies leadership as it rides the razor blade. In fact, while penciling these thoughts early in 2002, this worried executive wondered if this sense of desperation has produced the current epidemic of financial reporting chicanery. At some point we may all experience ethical cracks when the pressure is too much to bear. We are led to this desperate state by the fear of losing money—not because we are natural-born thieves. Sick companies crack under the pressure of riding the razor blade. Apparently, it is much easier to hoodwink shareholders than customers.

So here's the problem: We can't maintain our margins from normal operations when we are faced with extreme competition. What causes the problem? A customer relationship based solely on price. When all you have that differentiates you is your price, you are a commodity.

What is the solution? You have to have a relationship with customers that to some degree overrides price. If not, you will slowly, then suddenly, go broke.

Yes, you should use all the latest cost-cutting techniques and reengineering-type processes to improve efficiencies as much as possible. But these processes do not provide the long-term solution to maintaining your margins.

Again, the ultimate solution to reversing the current leadership trends of margin slashing, accounting trickery, and shareholder hoodwinking is to run an organization that can maintain and expand its customer base without slashing prices and without reducing its fiscal integrity.

The success of your organization doesn't depend on your understanding of economics, or organizational development, or marketing. It depends, quite simply, on your understanding of psychology: how each individual employee connects with *your company;* how each individual employee connects with *your customers*.

Ask yourself: Why do employees stay with one company when others are willing to pay them more? Why do some employees innately know how to deal with customer complaints, without alienating those customers? Why do some customers drive three miles out of the way to come to your store when your competitor is right across the street from them? If you don't know the answers to these questions, you cannot maintain your margins.

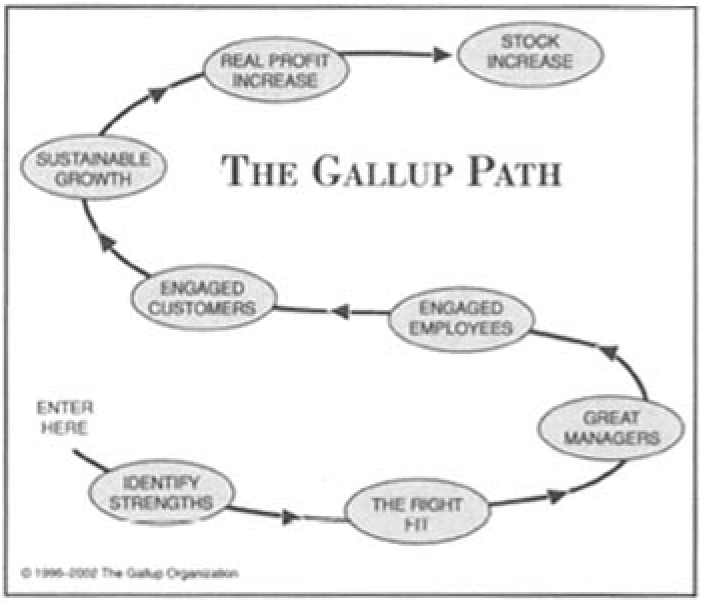
Put in another way, you must harness the power of human nature or you can never get down from the razor-blade ride.

The extraordinary American economy of the last fifty years has been based on remarkable innovation and entrepreneurship. There is no substitute for these. However, in the new world of extreme competition, we are all going down the wrong path—the one toward continuous margin erosion—unless we discover a new way to manage human nature.

This book does exactly that. It outlines the steps that leaders must take to build strong, sustainable, high-integrity organizations. By cracking the human nature code, it offers an entirely new and different "Path" for your organization to follow. Read the book as quickly as you can, follow this Path, and rejoin your organization as a transformed leader.

—James K. Clifton

Chairman and Chief Executive Officer
The Gallup Organization
January 15, 2002


REAL PROFIT INCREASE
STOCK INCREASE
SUSTAINABLE GROWTH
THE GALLUP PATH
ENGAGED CUSTOMERS
ENGAGED EMPLOYEES
ENTER HERE
GREAT MANAGERS
IDENTIFY STRENGTHS
THE RIGHT FIT
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INTRODUCTION

The Path to Take

Great organizations achieve sustainable growth and profits because they do what other organizations don't: They maximize the innate, individual talents of their employees to connect with customers. They know that tapping the resources of humans is the only remaining area where significant improvements can—and do—lead to an unlimited source of competitive advantages.

Startling? Yes.

Against the accepted way of doing business? Absolutely.

Successful? You bet.

Will this change the way you view employees and customers alike? It should—*if* you want to profit and grow along with the great organizations and compete with them.

Now Is the Time for Change

In case you haven't noticed, there's a whole new world of employees and customers out there. Where employees are concerned, the modern workplace is not filled with a generation of workers who received identical marching orders: Get an education so that you'll be hired for a steady job at a decent salary. Work as hard as you possibly can, because a job is a privilege on which you can base your future and secure the welfare of your family. The perceived value of hard work, discipline, and responsibility should never waver. Your "loyalty" will be taken for granted.

Recalled a man who repaired underground cables:

> I worked for a major utility for thirty years. I remember being told how lucky I was to be hired. Whenever I received a raise, I felt obliged to tell my boss how grateful I felt. I was, too. But it would have been nice to hear how grateful they were to me [for] working, winter and summer, under all kinds of tough conditions. I guess they felt they didn't have to—so they didn't.

Of course they didn't, because the employer held unyielding power: "I, as an employer, do not need you as much as you need me. I can fire you whenever I please, take away your job security, and ruin your financial health. Imagine what I can do to you—and your family."

This was the not-so-subtle message that many employees received along with their first paycheck. So the employees toed the line. Within the framework of an oversupply of labor and scarce jobs, they tended to stay put for the long haul and "learn the rules," adjusting their behavior and productivity along the way. Greater productivity meant working harder to get more done. Even in times of prosperity, workers never forgot that the organization was king. If their particular talents were best suited to another job, very often they kept that secret to themselves.

And where customers were concerned, the situation wasn't much better. Monopolies ruled. Providing a product or service to the marketplace meant ownership of an industry. Customers couldn't choose, because they were forced to buy products or services from a single supplier. With no other options available, loyalty was ensured. With that assurance, executives and senior managers focused very little of their attention on satisfying the needs of their customers.

A woman who purchased all of her appliances from the one local store for over twenty years told us:

> I always thought of myself as a “loyal” customer. Service wasn’t great, but when a mall was built and a big appliance store with lots of different brands opened, I felt that I should remain a customer of my local store. But I found that the bigger store had friendlier employees who made me feel like I was important and what I bought mattered. Sure, the lower prices counted, but I felt so much more appreciated at the new store. Why should I feel like I should accept subpar service if I don’t have to?

A New Model

Today the world of work has totally changed. Nowadays people skip from job to job and from company to company. Working as hard as possible may still be an ideal held by some, but too often they burn out quickly and lose their effectiveness. Just about everyone sitting at a computer has access to the same technology. Privacy, especially relating to company secrets, is harder to maintain, as is its partner, security.

Industry is no longer a one-size-fits-all proposition. Diversification is not a luxury but often a hard necessity. Calculating productivity, growth, earnings, market capitalization, or stockholder value requires complex formulas and hourly updates from the industrial front. Television networks have expanded their business coverage because the world’s economy is a tanker riding choppy waves. At any time that ship, as big and powerful as it is, can spring a leak or run aground.

Customers who could once be counted on now enjoy choices—a whole lot of them. Monopolies are relics. Industries once regulated—telecommunications, auto manufacturing, and health care, to name just three—are now deregulated. And where competition is concerned, the playing field, with its rules, is global. The gradual but steady elimination of cultural and international boundaries has opened up worldwide marketplaces. Now businesses must compete with their counterparts from other countries for the same customers. This requires broader income to fund the development of more useful products and services. At the same time organizations must maintain their image through brands and positioning.

And that creates a new dilemma. In the past twenty years almost every possible source of competitive advantage has been maxed out. Where can value be found when price becomes less and less of a factor, and customers are tired of hearing that every product or service is the "best"? They know better. Where both employee and customer incentives are concerned, organizations are running on empty.

But more than ever, a reliable customer base, the core element of every industry, must be maintained. At the same time productive employees must be kept from leaving.

But how? What strategy could possibly do this? The great organizations have discovered what it is—and how to use it.

An Emotion-Driven Economy

Great organizations know how to chart a course through the worldwide competitive maze to keep their customer relationships not only intact but also thriving. They do this by connecting to their customers on an emotional level. When that happens, customers return because of *the way they feel*. The response has been so phenomenal that these organizations don't refer to their return patrons as loyal. They speak of them as being *emotionally engaged customers*.

Simultaneously, great organizations create an environment in which their best performers can do what they excel at, over and over again. These men and women are so tuned in to what they are doing, and so effective at responding to the needs of customers, that profits and growth flourish, as do the employees. These men and women are referred to, with gratitude, as being *emotionally engaged employees*.

When engaged employees utilize their natural talents, they provide an instant, and constant, competitive edge. They build a new value: emotionally driven connections between employees and customers.

Great organizations do not treat employees and customers as if they are mini computers whose every action, based on very complex mental processes, can be calculated in advance. Nor do they view customers as “economic agents” who are supposed to always make decisions based on price and quantity.

On the contrary, great organizations have turned from the “hard” view of people responding like machines to the “soft” side of human nature, the part that is guided by emotions. Engaging both employees and customers emotionally is the approach that steers organizations, through their managers, toward greatness. Great organizations take advantage of the fact that the economy of emotional engagement is much bigger than the economy of reason.

The Data Are Here

How do we know that an emotion-driven economy leads to continued success? For more than fifty years The Gallup Organization has asked customers and employees alike a huge variety of questions about jobs, the workplace, and decisions related to purchases and consumption. We queried every major type of industry, conducting research on a global scale.

When we at Gallup began our immense and far-reaching study, we aimed to uncover the circumstances that separated the strongest, most vibrant, productive, and profitable workplaces from the not-so-dynamic ones. At the same time we wanted to discover the conditions that attracted—and kept—the finest, most profitable customers. These were the people whose human potential had been given a free rein, and they put it to extremely good use. We wanted to estimate the economic implications of the variation between the great workplaces and the rest. And what great organizations do to create more of the best.

Finding the information we sought within the swirling patterns of data wasn't simple, because every organization defined successful outcomes in its own way. For some of the best workplaces, results meant the number of customer problems solved, whereas for others they reflected recovery time of patients, increased sales volume, number of defects per million parts produced, or number of days lost to illness. Turnover and the productivity of individuals were factored into the equation.

Enormous amounts of data were collected to conduct our inquiry. Ten million customers and over two hundred thousand managers were surveyed. More than three million employees were interviewed from 1995 through 2001. Additionally, more than two million talent-fit/role-success reviews were tallied. More than 300,000 business units, in hundreds of organizations worldwide, took part in the study. Not surprisingly, the total volume of data surpassed that of any other study on the subject of specific employee performance and building of customer loyalty.

All major industries, from fast-food chains to physicians' groups, were represented. A wide variety of job types was included, as were all kinds of customers. Industry and organizations of all sizes were integrated. To give this some sense of scale, consider that each major industry represented contributed at least one hundred thousand cases, while the business units were usually comprised of just thirteen employees. Employees from different types of organizations were measured in terms of their talent, engagement, and outcomes.

Similarly, customer data included purchase information: Volume, dollar amounts spent, repurchase intentions and behavior, brand ratings, product evaluations, opinions, and other complementary patterns of attitudes and behavior were all covered in detail.

For the customer data alone each person questioned was interviewed for an average of fifteen minutes, which led to an incredible 150 million minutes of individual responses. Think of it this way: If each response was equal to one square inch of a customer's report, the total data represented the equivalent of covering an entire football field twenty-four times.

Business units were evaluated in terms of their productivity, volume (revenue, sales, and quotas), safety, turnover, and profits per unit. Other related information, such as size of the location, was gathered as well.

This in-depth study also crossed gender, race, and ethnicity boundaries as it assembled data on various types of occupations, nationalities, age groups, levels of education and discretionary income, and spending habits.

To untie this complicated knot of information we used meta-analysis. (A detailed description of the types of statistical techniques used appears in appendix B.) This statistical technique helped us untangle and separate the multiple strands of data. Using it allowed us to zero in on the real links between employee attitudes and opinions and business unit performance. Additionally, we were able to document how certain conditions (which we will disclose later on) affect business outcomes. We were also able to detect the unmistakable symptoms of a workplace on the verge of breakdown due to ingrained negative business practices. And we developed a surefire ability to identify those core sources of strength that every great team inherently possesses. Most important, we recognized how unbreakable bonds between employees and customers can be forged.

Then this mother lode of data was examined and dissected. When we were done, we saw the way that great organizations mine and harness the incredible natural resources of their employees. The steps were the same, over and over again. They formed an explicit way in which *every* great organization utilizes employees and keeps customers—regardless of its size, industry, or country of origin. We discovered a consistent path of superior human performance leading to profitable growth.

Here’s what a manager who oversees more than three thousand employees in more than one hundred teams had to say. She believes her most successful teams got to be that way because of the emotional engagement of the employees along with the artful work of their managers. This is a part of the path she says makes them so great:

> Their talent, and their inner belief system that a manager can suport, make a significant difference in an associate, a team, a company, and with clients. Money is a minimal motivator. The right money or pay focus matters more than how much. The other motivator is seeing their team win awards as individual achievers, or win center or location awards cumulatively for their combined performances.

When asked how her best managers created and sustained this level of employee engagement, she said:

> By sincerely listening and caring about what makes each individual “tick” to help push them to new

> heights of performance, and consequently, retention and engagement. Also … by encouraging and creating teams that build off each other and create multiplicity and lifelong friendships, versus a bunch of individual achievers who care only about themselves.

Then take the example of the vice president for human resources at a very successful medical equipment manufacturing corporation—an organization that has achieved consistent double-digit growth over fifteen years. He attributes this growth to the manner in which his company selects and then develops the unique strengths of every individual employee:

Gallup: What do you trust as a predictor of individual superior performance?

Well, I was taught to always look at the experience of the individual, but I have found that this is not always a reliable predictor. I guess the correct answer is, "It depends"—on the specific role we are trying to fill. If we don't know what excellence is for every job, we cannot develop the road map to help us know what talents, skills, and experience we are looking for. As an example, when we are trying to fill a job in marketing communications, we know that it requires a "critical eye" to ensure that the final document perfectly lays out the features and application implications of our product. Some would call this perfectionism, but I call it an internal yearning for extreme accuracy and the ability to see the communication from the users' perspective. They are always asking "what if?" and anticipating the next question that comes to the reader's mind.

On the other hand, if I am seeking a top-notch sales manager, I look for that natural ability to "set the bar high" and then demand results to meet this standard. But we also know that our best sales managers do this through the development of very strong communication and relationships with those close to the action. They possess a natural ability to see the potential of every person they manage, and do everything possible to help the person be successful. Our great sales managers are very performance oriented, and when their people's performance is not at the level it should be, they act quickly and reposition the person to another role (inside or outside the company). They *never* lower the bar and settle for anything but excellence in performance.

Gallup: What do you look for in an applicant?

Once again, it depends on the role. I look for those who possess natural abilities like our best. I always let our stars (in every role) set the formula for the talents we are looking for. This may appear simple, but it is not. It starts with a fundamental shift in the traditional HR paradigm. Traditionally, HR has filled roles with the most convenient traits (willingness to relocate, industry experience, ability to start quickly, agreement to pay plan, etcetera) versus the "right" talents. We in HR have been taught to "limit risk" wherever possible, and this has forced us to be able to clearly identify those blatant characteristics that we don't want, versus keeping the standards high and knowing clearly what we do want. We have a very structured interview that gives us a nonbiased insight into the individual's natural strengths, and then we match those up against our best and see how they stand against our best in each job classification.

Gallup: How do you develop the strengths of your employees?

Well, it starts by realizing that development is not a strategic initiative. It is a local, close-to-the-action responsibility of every manager and employee. It starts with helping every new employee know exactly why they were hired. It begins day one. The specific talents and skills of the associate identified in the selection interview are shared with both the manager and associate, and dialogue begins. Our managers know that they have to be active in the feedback about how they see their direct reports playing on their strengths every day. Managers point out excellence as it occurs and are always trying to build self-awareness in the employee. See, selection of employees is really about if they can do the job very well; development is about how they will use their special strengths to achieve the outcomes of the role. We have literally been able to save tens of millions of dollars by cutting out remedial training that has been inappropriately labeled "development" because it has shown no return on investment.

And here's what a CEO had to say. The following interview was with a leader of one of the most profitable corporations in the United States. During his leadership, the stock value of his company has grown tenfold in a period of ten years. Every year his company has managed to produce double-digit increases in growth and profitability.

Gallup: What do you get paid to do?

Increase the stock value of this corporation.

Gallup: What is the biggest challenge you face today?

In today's business world there are only two possible challenges for people like me. One is to reduce costs more—and thereby cut prices—and the other is to grow margins by acquiring and sustaining profitable customers. I am a member of this second group.

Gallup: Why aren't you a member of the first group?

Because there is no sustainable future in that group. We are just kidding ourselves if we think that our stock growth strategy is realistically sound if we just reduce costs or prices. It's now very simple for anyone to do anything even more cheaply. The time has come when we must do something else.

Gallup: What do you mean by "something else"?

The value of our stock will only grow as a consequence of profit increases that are driven by real customer growth, not just by reducing costs.

Gallup: What is the basis of your strategy?

Let me begin with a question. What percent of our time and our resources do we currently spend in creating demand, just attracting any new customers? Compare that with the percent we spend on targeting and retaining profitable customers. My success story lies in doing one thing extremely well, and that is creating and cultivating strong relationships with my very profitable customers, value that exceeds good prices and good products, one customer at a time.

Gallup: How do you do that?

Actually, I don't do it. I can't. It's the employees of this company who do it, every single one of them, every single day. We have been fortunate to see that it is at the level of a personal interaction with our customers where we can establish a bond strong enough to rise above price and the usual product and service quality stuff.

Gallup: How do you know and how do you manage it?

By numbers, just like everything else.

Gallup: How do you know it works?

We do more with the same people, we earn more with the same customers, and we are very, very good at it. We do it uniquely fast.

Gallup: What path do you follow?

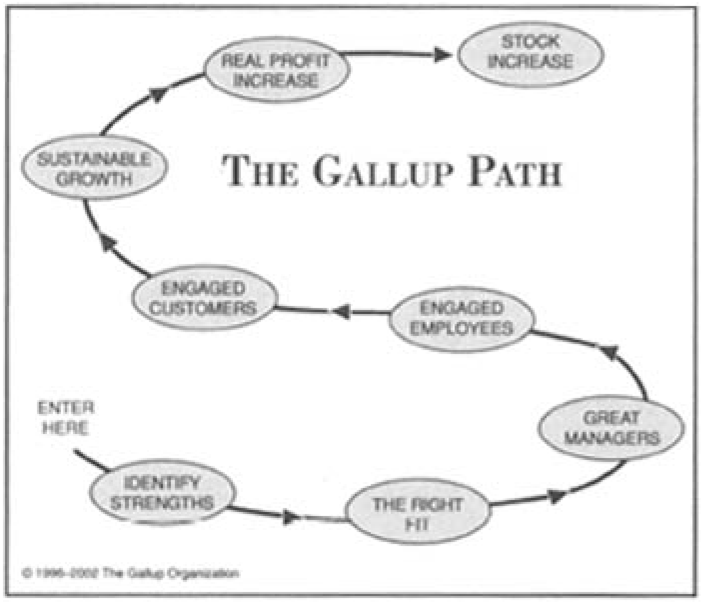
Emotional engagement, both for employees and for customers.

The Steps to Follow

In this book we're going to show you how the steps of the path are formed, how they link together, and why it is inevitable that they fit together so seamlessly. Together they form a bridge that will take you from the old, insular way of operating, full of its fluctuations and inconsistencies, to a revolutionary new way of functioning where healthy growth can be built and maintained.

An *emotion-driven economy* has infinite horizons. If your organization dreams of not merely surviving but actually thriving in tough times; if it acknowledges that doing things the tried-and-true way is now tired and through; if it wants to make itself great, but fears it will never know how, it is time to change directions.

Once you see how smooth the path is—how it avoids the detours of counterproductive practices and the ravines of self-defeating traditional ways of making use of employees and retaining customers—you will want to follow it, too. The amazing thing about the path is that it expands as it is traveled, allowing more people to use it. It leads directly to the destination every organization sets off to find: sustained growth and increased profitability. To make sure you get there, too, a map for traveling on the path is provided, and directions for managers are included.



- Profit increase drives stock value
- Real sales growth drives profit increase
- Engaged customers drive sustainable growth
- Engaged employees create engaged customers
- Great managers transform talented individuals into engaged employees
- Roles fitting talent create talented individuals

CHAPTER 1

Welcome to the Emotional Economy

One Man’s Vision

ONE DAY IN 1609 Galileo stood on his balcony, peered at his world in a new way, and changed it. What he used to achieve this milestone was actually very simple. He took implements that were readily available to him—a piece of organ pipe fitted with a curved lens at either end—and gazed through it.

Pointing his telescope toward the rippling ocean, he saw what no one else could. Two ships far off, their billowing sails driven by a steady wind, aimed their bows directly at him. A magnified world, he realized, had enormous practical possibilities. Enemies could be spotted before they readied for attack. Friendly vessels, long away from home and feared lost, would be “there” before they docked. This was an innovation that people could understand—and they embraced it.

Then he shifted his focus from the world he knew. Turning his implement to the vast seventeenth-century sky once again, he saw something that no one else could. Peering at the magnified heavens, Galileo discovered four small moons circling the huge mass of Jupiter. Dark spots on the sun’s bright surface were suddenly visible, as was the now illuminated surface of the moon as the sun’s rays reached it.

These celestial bodies, he realized, were moving. But why?

The prevailing theory of Galileo's time held that the earth was the center of the universe. The spheres surrounding it were supposed to move as a group, not as independent entities.

Galileo knew that his findings were consistent with a view radically different from the accepted wisdom. Copernicus had already put forth the radical idea that the earth actually revolved around the sun, and not the other way around. Galileo also knew that expressing beliefs contrary to rock-solid dogma could be deadly: In 1600 Giordano Bruno, a Dominican friar, had been burned at the stake in Rome because he had insisted that the earth did not remain motionless at the center of the universe.

Obviously, a different perspective on the accepted world they inhabited terrified a lot of the good people of the time. Unlike the ocean view through the telescope, which brought the objects of their world "closer," this sky revelation created chaos. What did this information mean? How could they deal with it? Could it hurt them? Would they have to change the way they lived? The familiarity of their world was being questioned, and there didn't seem to be any ready answers. So instead of trying to understand the message of the spheres, they punished the messengers who delivered the "bad" news.

It took a long time, but eventually Galileo's keen observations changed our understanding of how natural forces operate in the universe. Back on earth, they altered how the planet itself was viewed and linked it into the bigger picture of space. Without this knowledge astronauts could not have traveled to the moon.

With a symbolic step into the unknown, Galileo helped create a path to a world he could not have imagined.

A New World's Old Way to Look at Business

Today's visible business world is not unlike the world in which Galileo lived. Many innovations—like technology—are embraced as long as they don't shake up long-established foundations. Machines are controllable and fixable. What they can and can't do is well understood, and how they affect business is usually highly appreciated.

But the other system that fuels business—human nature—is a whole other matter. Humans are emotion-driven entities, and emotions are messy. Little understood and less than predictable, emotions can disrupt, cause upheavals, and occasionally inspire fear. Certainly this ever-present human aspect is regarded as an annoying hindrance, something to be glossed over or avoided altogether. Think about it. Have you ever had to manage:

- Judy, "the thinker," who seems to spend hours staring into space?
- Ed, "the always excited," who can't restrain himself from leaping into every new project with gung-ho abandon?
- Raphael, "so quiet you don't know he's there," who turns in precision work?
- Stephanie, "the caretaker," who spends too much time remembering when people started work and commemorating the occasion with a cake?
- Ralph, "the boss-in-training," who wants to head every committee?

These kinds of employees (and there are lots more) get under your skin. You don't want to deal with their quirks and tics and habits because you believe they take precious time away from work.

Unfortunately, your view is upside down. All those personal "tics" are clues to who these people are—and, more important, to the innate talents they possess.

Just as the prevailing "wisdom" in Galileo's time forbade changes in what was accepted as true, businesses today