The Oz Principle

Getting Results through Individual and Organizational Accountability

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**Summary**

TODO

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PART 1: The Oz Principle: Getting Results Through Accountability

**Chapter 1: Off to See the Wizard: Searching for Greater Accountability in Business**

Too many people in business and politics today fail to be accountable and instead spend much of their time trying to ignore failures or blame them on others.

* Lucent CEO Rich McGinn ignored his research scientists and instead focused on the company’s stock price at the expense of company fundamentals. The stock eventually fell 80% and he was fired. (Enron, Arthur Anderson, Global Crossing, Kmart, Sunbeam, Tyco, WorldCom, AT&T, Polaroid, Qwest made similar mistakes trying to appease Wall Street)
* Xerox CEO Anne Mulcahy admitted (too late) that her company had an “unsustainable business model.” The company was already on the edge of bankruptcy by this time.
* Intel CEO Andy Grove gives a better example of what to do. Recognizing that Japanese competition was turning their main line of business into a low-price commodity, he moved his company in entirely new directions. “If we got kicked out and the board brought in a new CEO, what do you think he would do?” he asked his COO, Gordon Moore.

Many managers turn to the latest business or management fad for help, but the best means to obtain success is accountability. People have to take accountability for results and realize that they have the power to create positive outcomes in the face of adversity.

People have to take this accountable attitude without falling pretty to the victim cycle and trying to blame their problems on everyone but themselves. Roger Sant (CEO of AES) implemented a “they busters” campaign to get rid of the elusive “they” who seemed to be blamed for everything. Victimization and below-the-line thinking can creep into any business as people slowly stop delivering the results they are capable of until a catastrophe occurs (example: NASA and Space Shuttle Challenger).

“Companies fail the way Ernest Hemingway wrote about going broke in The Sun Also Rises: gradually, and then suddenly.” – (page 12, quoting “Why Companies Fail” by Charan and Useem)

The authors’ main idea is summarized:

“A thin line separates success from failure, the great companies from the ordinary ones. Below that line lies excuse making, blaming others, confusion, and an attitude of helplessness, while above the line we find a sense of reality, ownership, commitment, solutions to problems, and detrmined action. While losers languish Below the Line, prepareing stories that explain why past efforst wenty awry, winners reside Above the Line, powered by commitment and hard work.” (page 10).

Ultimately, accountability is a character trait we all know we should have. We know we shouldn’t fall victim to excuses such as:

I didn’t have enough time

If we only had the resources

The schedule is too tight

That’s not my job

It’s the boss’s fault

I didn’t know

The competition outsmarted us

The whole economy’s in trouble

Things will get better tomorrow

We need to be able to identify below the line thinking and move in a more constructive direction. Moving past excuses and taking accountability for the results that we achieve causes us to act positively to create the results that we desire. A team of accountable, motivated people can accomplish anything, and at a time when CEOs say their number one priority is “attracting and retaining talented people who demonstrate ownership for achieving results”, we may find that the simple lesson of accountability can get businesses and individuals a long way towards their goals.

**Chapter 2: The Yellow Brick Road: Getting Stuck in the Victim Cycle**

There are plenty of situations where we are pressured to fall below the line and feel victimized by our situations. Sometimes we are in fact victims, but if we use this as an excuse for not trying harder or looking for ways to overcome adversity, we are failing ourselves. As such, it is important to recognize when you are acting “below the line” so that we can identify it and move beyond it. Then we can begin acting positively.

The Victim Cycle expresses itself through excuses, blaming others, focusing on problems rather than solutions, and trying to avoid the truth. Common stages of the victim cycle include:

1. Ignore/ Deny – Deny there is a problem, or convince yourself that you are right
2. It’s Not My Job – Deflecting potential problems from the realm of your responsibilities
3. Finger-Pointing – Blaming others without taking any responsibility for your own actions
4. Confusion / Tell Me What to Do – Trying to get others to take responsibility from you
5. Cover Your Tail – Explain why something wasn’t your fault
6. Wait and See – Hope that ignoring a problem makes it go away

(Although not mentioned in the text, doing the opposite of these 6 things probably gets you a long way toward accountability:

1. Actively identifying and confronting problems
2. Understanding that every action that furthers a company’s goals is something that you – as an employee – should be willing to do (“everything is in everybody’s job description” – as my Grandpa always said).
3. Admitting the things you were responsible for and have the power to change/improve
4. Use any abilities you have to solve problems
5. Admit failures and learn from them
6. Actively work to correct problems and improve processes

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Examples of victimhood are everywhere. The book mentions one manager who was confused by a mixed review her manager gave her. Instead of engaging in dialogue and trying to understand her manager, she just went on as usual, complained about not understanding what was expected of her, and refused to change anything. She eventually left the company.

Mike Eagle (CEO of ?) is also presented as an example. He began as VP of manufacturing and was very successful, but when the executives put him in charge of a subsidiary company it seemed that nothing he did was able to turn the company around. He was ready to quit when he asked for some candid feedback from a coworker and was surprised to learn how negatively he was viewed by his coworkers and subordinates. He realized that he had never really given his all to the new company and that he hadn’t worked as hard as he could to build strong relationships with the management team working under him. Once he realized that he could in fact take some responsibility for his poor performance – and more importantly, that he had the ability to change it – he renewed his efforts and corrected all the problems he had identified. His efforts succeeded and he was recognized by the executives and promoted as well.

They key point of this chapter is that you need to recognize when you are acting Below the Line, so that you can remedy the situation and act in a more positive manner.

**Chapter 3: There’s No Place like Home: Focusing on Results**

Many people respond negatively to the word “accountability,” and feel like the purpose of accountability is to help identify who to blame when things go wrong. The authors redefine accountability in a positive way:

“A personal choice to rise above one’s circumstances and demonstrate the ownership necessary for achieving desired results – to See It, Own It, Solve It, and Do It” (page 47)

The main point of this definition is the realization that if you have the ability to determine the outcome of a situation – if you can influence it for better or worse – then the ability to achieve success depends only on your decision and determination to do so. Accountability is a way to move from feeling victimized and powerless to feeling in control, powerful, and capable of achieving the results that you desire.

Businesses want people to focus on what they can do *now* to create better results for the company, and they want people to know that the power to make the company succeed lies with them. It’s also important to extend the realm of your accountability beyond your individual job and focus on what you can do to help the company. When everyone has specific jobs to do, it’s easy for things to slip between the cracks – slipping between job descriptions or areas of defined responsibility – in this case, management wants employees to step up and fill in the gaps, taking responsibility for anything they see that can be improved and help the company succeed. My favorite quote of the book summarizes this when a company President defined “joint accountability:”

“Everyone working together so that we don’t drop the ball; but when it does get dropped, everyone dives for the ball to pick it up. Unfortunately, too many of our people see the ball land on the ground between layers, but react by saying ‘That was your ball.’” (page 50)

Teams that work with joint accountability realize that while each member is responsible for their own job and individual results, they are also all accountable for the results of the team. They don’t wait for team members to fail or blame each other when failures do occur. Instead, they actively help each other and work in constructive ways to ensure that the team as a whole succeeds.

One sales manager helped his team focus on team results by defining their business objective very clearly: increased sales. Whenever someone made a sale or did something that would increase future sales, the manager would ring a loud bell for the entire building to hear. Soon, employees were talking in terms of what they could do to “ring the bell.”

Dennis Antinori (VP of sales at IVAC) learned that R&D was behind schedule and that the company’s new line of products would be a full year late to market. Instead of feeling powerless and victimized, he rounded up his managers and got them to deal with this problem in an Above the Line way. They admitted that there would be no new products and that they had to find a way to increase sales without new products. Once confronted with this task, the team was able to find ways to do just this and actually increased sales by 15% that year. Dennis explains: “[we] wasted no times blaming new product development and really challenged ourselves to find and implement solutions, positively rather than negatively. When the bull charged, we took it by the horns and wrestled it to the ground. We got focused, rather than frustrated, and we made it happen, despite the odds stacked against us.” (page 58).

Guidant CRM made medical devices that were superior to all competitors, but every time they released a new product they sat back and nothing happened. They thought they had done everything they could to deliver good products, but they weren’t seeing the sales increases they expected. Instead of giving up, they gathered customer feedback and realized that even though the experts knew their products were better, no one else was getting that message. They realized they needed to aggressively market and sell their products on their merits and then they started getting the sales that they deserved.

Accountable behavior is identified by the following:

* You invite candid feedback from everyone about your performance
* You never want anyone, including yourself, to hide the truth from you
* You readily acknowledge reality, including all its problems and challenges
* You don’t waste time or energy on things you cannot control or influence
* You always commit yourself 100% to what you are doing, and if your commitment begins to wane, you strive to rekindle it
* You own your circumstances and your results, evne when they seem less than desirable
* You recognize when you are dropping Below the Line and act quickly to avoid the traps of the victim cycle
* You deight in the daily opportunity to make things happen
* You constantly ask yourself the question: “What else can I do to rise above my circumstances and get the results I want?”

PART 2: The Power of Individual Accountability: Moving Yourself Above the Line

**Chapter 4: The Lion: Mustering the Courage to *See It***

“See It” refers to the ability to identify a problem and confront it head on. Oftentimes, people refuse to acknowledge problems. They ignore them, convince themselves they aren’t important, or perhaps never going looking for problems at all. It’s important seek feedback and question your assumptions and actions. If something you hear or see conflicts with what you believe you should try to find out why. And if you do find a problem that needs to be address, admit it and confront it head on instead of hiding from it. Bringing problems out into the light is the first step to solving them.

Richard Kogan (CEO of Schering-Plough) was running a pharmaceutical company which was continually being fined for manufacturing faulty products. He recognized the problem, admitted it to his company and shareholders, and declared that he would take personal responsibility for making sure that this area of the business was improved.

Jim Copeland (CEO of Deloitte and Touche, an auditing firm) recognized that the fallout from the Enron and Arthur Anderson accounting scandals were going to place increased stress and distrust on auditing firms. He recognized the need to split his company in two and separate auditing from consulting services. He quickly gathered the relevant stakeholders, explained this to them, and was able to effect this radical change and avoided losing multi-million dollar accounts that were scared by the scandals.

Christopher Steffen (CFO at Eastman Kodak) resigned from his position after only 3 months on the job. It seems the problems the company faced were readily apparent to an outsider, but were being missed by the board. Shareholders noticed, and the company lost $1.7 billion dollars in market value upon Steffen’s resignation.

Jed Simon (VP of underwriting at CET, an insurance company) was hired to increase sales and did an amazing job. The next year he was put in charge of improving customer service and failed miserably. His managers told him that he wasn’t listening to feedback about how poor customer service was and seemed unable to even identify the company’s problems, let alone start to solve them. He refuses to accept this assessment of his work and is quickly alienating his superiors. He is likely going to lose his job over this.

IBM totally missed the move away from mainframe computers and toward personal computers. Many of its competitors went bankrupt as Apple, Compaq, Sun Microsystems and Hewlett Packard overtook them. As far back as 1986 this should have been obvious. Sales growth was struggling, earnings were flat, and market share was declining. Chairman John Akers said that if they stay the course, they will realize in 5 years that their results have been “superlative.” It wasn’t until 1994 when the new CEO (Louis Gerstner) recognized the problems and decided to confront them. He laid out a plan for the company to “stop hemorrhaging money”, right-size, and develop a key customer strategy and business plan to revitalize the company and move into new markets.

The authors of the book even struggled with a difficult client who seemed to think they were difficult to contact, even though they went out of their way to be available. After complaining to themselves for a while, they decided to take a proactive approach and sent the client a letter explaining their recognition of this perception and re-affirming their commitment to be even more available for the client. This worked well, as it presented their commitment to help the customer and laid out definable ways in which they would hold themselves accountable for it.

The main point is to work to actively recognize and confront problems. Recognize when you are

**Chapter 5: The Tin Woodsman: Finding the Heart to *Own It***

Realize that if you are accountable, it means you have the power to determine the outcome of the situation. Own this responsibility and realize that it is up to you to make a change.

**Chapter 6: The Scarecrow: Obtaining the Wisdom to *Solve It***

Solve It Skills (page 126)

1. Stay Engaged – Don’t give up. Stay with a problem. Keep looking for information and new ways to view the problem or look for creative solutions.
2. Persist – Keep asking “What else can I do?”
3. Think Differently – You cannot solve the problem with the same attitude with which you created it (see Einstein quote below). Keep looking for alternative perspectives besides your own.
4. Create New Linkages – “Many solutions require innovative approaches that tap into new ways of both thinking about and doing things. Often, such approaches involve forging new relationships that involve others you may not have previously considered to offer keys to the solution. Such relationship may include your competitors or your suppliers and vendors, or someone in another department in the company. Always consider creating new linkages” (page 127)
5. Take the Initiative – Understand that others do not take the same level of ownership for the process as you do, and that it is up to you to take the initiative. “Explore, search, and question even after you think you have done everything you can.”
6. Stay Conscious – Resist the urge to go on “auto pilot” and stay alert, looking for problems and alternative ways of doing things. Don’t be satisfied with “that’s the way we do things here” and question your assumptions.

“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.” – Albert Einstein (page 126, in reference to #3)

**Chapter 7: Dorothy: Exercising the Means to *Do It***

Now that you have a solution in mind, execute it. Don’t give up. Keep at it, and get it done.

PART 3: Results through Collective Accountability: Helping Your Organization Perform Above the Line

**Chapter 8: The Good Witch Glinde: Mastering Above the Line Leadership**

**Chapter 9: The Emerald City and Beyond: Getting Your Entire Organization Above the Line**

If you’re goal is to spread accountability throughout an organization, you should work on five activities:

1. Training everyone, at every level
   1. Step 1: Understanding accountability in your organization (gather feedback)
   2. Step 2: Introducing a new view of accountability
   3. Step 3: Making the new view of accountability a way of life
2. Coaching accountability
3. Asking Above the Line questions
4. Rewarding Accountability

Six culture-creating devices:

1. Use Trigger Words (Above the Line, See it, Own It, Solve It, Do It)
2. Tell Inspiring Stories
3. Manage by Walking Around
4. Use the Framework (See It, Own It, Solve it, Do It)
5. Create Role Models
6. Create Above the Line Experiences – Group evaluations, small projects
7. Holding people accountable

Guideline 1: Clearly Define the Desired result

Guideline 2: Determine a Mutually Agreeable Time for a Progress Report

Guideline 3: Deliver Praise or Coaching

**Chapter 10: Somewhere Over the Rainbow: Applying Oz Principles to the Toughest Issues in Business Today**

Issue 1 – Poor Communication

Issue 2 – People Development

Issue 3 – Empowerment

Issue 4 - Misalignment

Issue 5 - Entitlement

Issue 6 – Work and Personal Life Imbalance

Issue 7 – Poor Performance

Issue 8 – Senior Management Development

Issue 9 – Cross-functional Strife

Issue 10 – Programitis

**Appendix: Twenty Tried and Tested Excuses**

1. That’s the way we’ve always done it
2. It’s not my job
3. I didn’t know you need it right away
4. It wasn’t my fault that it’s late
5. That’s not my department
6. No one told me what to do
7. I’m waiting for approval
8. Someone should have told me not to do that
9. Don’t blame me. It was the boss’s idea
10. I don’t know
11. I forgot
12. If you had told me it was that important, I would have done it
13. I’m too busy to do it
14. Someone told me to do the wrong thing
15. I thought I told you
16. Why didn’t you ask me?
17. No one invited me to the meeting – I didn’t get the memo
18. My people dropped the ball
19. Nobody’s followed up on me; It can’t be that important
20. I told someone else to take care of this

(page 45)