# The 11 Most Costly Hidden Problems in the Workplace

*How to Cure Them and Boost Performance, Productivity and Profitability*

By Steven Gaffney



What keeps us from increasing revenue and profitability? What holds us back from achieving innovation and growth? The answer is an often undiagnosed condition, common to all, that undermines collaboration, performance and profitability.

Working in the trenches with hundreds of CEOs from Fortune 500 organizations and government agencies since 1996 has given me a bird's-eye view into this condition. I call it failure to get the "unsaid" said. Like a chronic disease, its symptoms become so familiar we stop noticing the toll they take on organizations' abilities to innovate, compete, prosper and grow.

There is a cure, however, for those seeking to improve their health. I have seen it work over and over when managers probe beneath the skin to identify the symptoms. These symptoms are the eleven hidden problems that plague workplaces, and we must first examine these problems, as well as their underlying causes, before we are able to combat them.

If you are ready to commit to a prescription that will get you on the road to recovery, then take a look at these eleven insidious problems and some strategies to immunize your organization against their effects.

## Rate the 11 Most Costly Hidden Problems in Your Workplace

*As you read the 11 problems below, grade each on a scale of 1-10 based on the turmoil it causes your company's teamwork, growth and profitability. Then ask your managers to do the same to help you discover the principal problems afflicting your company.*

Like a chronic, undiagnosed medical condition, the trouble with these hidden problems is just that: they are hidden. Let's look at these eleven problems and their common bond. See if you can diagnose the problems plaguing your organization.

### "Erosion Glitch"

Poorly-executed programs, incomplete projects, missed deadlines and cost overruns happen when employees do not share critical information. It also happens when customer expectations are not being managed effectively and honestly — either because terms, expectations and language are unclear or because people do not communicate realistically about what can and cannot be achieved (often resulting in "scope creep"). Schedules slip, time is lost and credibility and reputation suffer. The condition only gets worse when employees do not speak up for fear of worrying their boss or client. This hurts the bottom line, especially when contracts are not renewed and new opportunities are lost.

Steven Gaffney is a leading authority on boosting teamwork, productivity and revenue through open, honest communication. He is the author of three landmark books on the subject: *Honesty Sells, Honesty Works!* and *Just Be Honest.*

### "Email Shutout"

Research shows that 90% of a message's meaning is conveyed by tone, body language, context and source, not the actual words used. Therefore with email, tensions rise, problems escalate and collaboration is stunted when people hide behind their keyboards. This leads to distorted one-way conversations that lack the clarity of two-way dialogue. Thus, email wars erupt, clutter mailboxes, eat up time and thwart collaboration, morale and productivity.

### "Double Trouble"

Lack of collaboration between business and functional areas can lead to duplicate and even conflicting endeavors. Senseless repetition, lost time, internal competition and conversations that go nowhere take their toll in this unproductive scenario. The problems worsen when employees work in remote locations or have generational or cultural differences. Although people may be aware of the issues, they often lack the skills and empowerment to have the difficult conversations required to resolve them. This leads to spiraling inefficiencies and wasted resources that obstruct progress and productivity.

### "Flickering Light Bulb"

Trouble festers and customers turn elsewhere when they do not receive the creativity and innovative solutions they have asked for and expect. Employees who work directly with customers often do not share all the ideas and opportunities they see because they are afraid their ideas will be ridiculed or stolen by someone who wants to take credit for them. Or, they may simply not know how to present their ideas effectively. When they do pass along their ideas, they are often half-baked, so management does not pursue them and customers do not get the solutions they are looking for. Disappointed customers and lost opportunities are the result.

### "Not Another Meeting"

Have you ever left a meeting wondering what the point was or thinking it was a waste of your valuable time? Meetings are unproductive when the real issues are not candidly discussed. This occurs when objectives are unclear, real facts are skirted and follow-up meetings – or worse, hallway meetings – are called to resolve the issues. Ineffective meetings result in poor decisions, an ill-informed workforce, lack of decision buy-in and poor execution. This costs the company in productivity, progress and employee salaries.

### "Assumption Presumption"

The key to good customer service is to know your customer. The challenge is that we often assume we know our customers' needs rather than probing to discover their true needs. For example, business development and salespeople often tell clients and prospects what they need based on trends or customer history, instead of getting to know the client's current capabilities and challenges. On the flip side, clients may not share their real needs or ask about certain services or programs because they think they know everything the company has to offer. Dissatisfied customers, missed opportunities, lost sales and unrealized profits are just a few costly by-products.

*In the absence of information, people often make things up.*

### "Turbulent Transformations"

Mergers and other global initiatives should be a time for innovation and growth, but often the opposite happens. Organizational changes, layoffs and realignments can lead to rumors, conjecture, fear and an ill-informed workforce. When this happens, people speculate, make bad decisions, resist change and hoard information. And, in the absence of information, people make things up. Time is spent making personal contingency plans rather than focusing on organizational needs and productive cultural integration. Slowed growth, internal competition and diminished creativity often come with these changes; all are counterproductive to long-term goals.

### "Deep Divide"

Sound familiar? Here's a condition that runs rampant in many companies when the business and functional areas, such as HR, procurement, finance and/or marketing, are adversaries, not partners. For example, a functional office may think it should police or control certain business practices so it focuses on what cannot be done rather than supporting the other departments' activities.

In turn, the business area may see the functional department as an obstruction and try to circumvent it rather than work with it. No matter who is at fault, wasted time, resources and opportunities negatively impact the bottom line.

### "Slippery Slope of Success"

Sometimes success inhibits progress and makes people resist change. This happens when companies think they already have all the answers. The problem is, if we are not progressing, we are regressing. You might have heard people say, "We know what it takes to get the job done," when someone makes a suggestion, or, "We tried that and it didn't work." Perhaps the latter is true, but circumstances may have changed and something that did not work before might work now. Complacency keeps people from the innovation and continuous change necessary to maintain their competitive edge in the marketplace. The savviest organizations understand that it is best to proactively change and improve before the competition makes you change. Think back to the 1980s *Fortune 500* list; how many companies featured then are on the list today? Less than half. Change is a constant – and critical to the growth and future of any organization.

### "Next in Line"

It is important to avoid over dependency on any one individual. When businesses put employee development and training on the backburner, they become overly reliant on a few executives who could leave at any time. They also might avoid difficult conversations with those executives for fear they will leave. How can a business develop tomorrow's leaders if it does not teach its managers to communicate effectively, give and receive difficult feedback, manage change, and inspire excellence? Unfortunately, some of the most talented people cannot move up due to their poor communication skills, so they get disgruntled and leave. Other, less talented individuals then get promoted, resulting in mismanaged

resources, program execution problems and lost business. Systemic training, coaching and accountability can develop great managers and leaders for the organization's future.

### "Brain Drain"

The number one reason people leave an organization is because of communication issues. Failure to retain top talent and high turnover occur when good employees are afraid to communicate honestly about their issues and needs. The result is the real issues remain undiscovered rather than getting resolved. Furthermore, when employees leave, they take their business knowledge, history, perspective and wisdom with them. Significant money must be invested to find, hire and train new employees. In fact, research shows it can cost anywhere between 25 and 200 percent of an employee's salary to find and train a suitable replacement.

## Bring on the Truth

*Now that you have identified the most costly problems in your organization and the harm they can bring, let's look at their causes and some tools that can treat your company's health and increase teamwork, growth and profitability*

These eleven problems are all symptoms of a major disease: a lack of open, honest communication. I am not talking about truth versus lies. I am talking about everything that is NOT being said. In other words, the problem is not what people are saying – it is what they are not saying, and the solution is to get the "unsaid" said.

Think about our eleven hidden problems and all that is not being said. Clients do not express their real needs. Salespeople do not ask the right questions. Valuable employees do not bring up difficulties their encountering. People in successful companies resist new ideas and ways of doing things. Perhaps in your organization, the disease comes from people complaining, but not talking honestly about the real issues at hand. All of these situations cripple organizations and prevent them from flourishing. The fact is that any organization is only as good externally as it is internally.

Regardless of the symptoms, the prescription is the same. Organizations must incorporate strategies and programs to promote open, honest communication.

Let's face it, most people withhold information to some extent. It is not because we are all malicious or ethically flawed; it is primarily due to fear. Fear of hurting someone's feelings, fear of retribution, fear of permanently damaging a relationship, fear of a negative impact on our careers or fear of wasting time because our feedback will not make a difference.

*The problem isn't what people say, it's what they don't say.*

To make matters worse, people get defensive or upset when someone gives them bad news, sending a message, "Don't tell the truth because I can't handle it." Inadvertently, this behavior discourages honesty and causes the whole organization to suffer.

But all is not lost. Everyone can learn and change if they are educated about the value of open, honest communication and provided with a safe environment that encourages it. That's where strong and committed leadership makes the difference. When executives instill practices that reward honest communication, they empower staff, fuel innovation, enhance teamwork and boost the bottom line.

## Immunize Your Organization

*There are many systems, strategies and tools to get the "unsaid" said. But be aware; open and honest communication does not come naturally. Putting systems in place is not enough. You need to train and teach everyone to use them.*

People must not only see the importance of bringing up an issue, they must have the skills to do so effectively. They must also learn how to influence others to get the issue resolved. Most problems start small. That is why it is so important to implement systems that encourage consistent communication and feedback – to prevent small problems from becoming big, expensive ones.

### Notice vs. Imagine

One helpful strategy for getting the "unsaid" said is Notice vs. Imagine. A top problem in the workplace is the failure to distinguish the facts of a situation (what can be "Noticed") from opinions, assumptions and quick conclusions (what is "Imagined"). Distinguishing Notice vs. Imagine allows employees to share critical information, assess situations accurately and resolve issues before they mushroom.

Think about the "Assumption Presumption" problem. Do people in your organization imagine they know what their customers want without investigating their real wants and needs? That was happening with one of our Fortune 500 clients that was losing business, but did not know why. We initiated communication strategies and training using "Notice vs. Imagine," and ultimately the client won back a huge contract. Now those are results that increase profitability! This led other business areas to adopt the same communication strategies. One area even became the highest revenue-generating business unit in the organization, and another achieved the highest engagement score in the company.

Now consider the "Erosion Glitch" problem. Have you ever seen a project go awry because project goals were based on assumptions rather than facts and data points? Too often, people make costly decisions because they believe their opinions are facts.

This issue can be exacerbated when the people on a project have different agendas, goals and backgrounds. Consider the experience of one of my clients. Personality conflicts were wreaking havoc in this organization and growth was being derailed. The situation seemed near futile until we put "Notice vs. Imagine" to work, giving everyone a common language for resolving issues. As a result, team spirit, productivity and customer service improved.

Right now, someone in your

workplace knows about a small problem. Will that information get communicated or will it fester? With appropriate training, employees can present the issue effectively and gain resolution – all to the benefit of your organization.

### Influence With or Without Authority

Another strategy is to empower employees to use honesty to influence situations, either directly or indirectly, regardless of their position. Why? Because opportunities arise daily for everyone to influence the health, growth and success of your organization. In a fast-paced, competitive environment, many of these opportunities are fleeting unless someone seizes them.

Remember the "Flickering Light Bulb" problem? Employees present half-baked ideas and become frustrated when they are not acted on. Customers leave because fresh, innovative ideas are not generated. This is a perfect example of lack of "Influence With or Without Authority."

Research shows the #1 motivator for generating new ideas is to show they will be used. When employees know how to articulate and sell their concepts, ideas and opportunities can be capitalized on and customers (both internal and external) will be delighted with the innovative solutions produced.

## Road to Recovery

With your new prescription for open, honest communication in hand, your next step as a leader is to model the behavior you want to see exercised throughout your organization. Adopt appropriate strategies and promote the value of honesty through consistent messaging and reinforcement. When everyone focuses on getting the "unsaid" said, a new vitality will surface and spark creativity, collaboration, greater efficiencies and growth.

Consider this experience from a former client who took ownership and promoted open, honest communication: "At the time, I was the executive officer of an organization … and the morale was abysmally low. The workforce was fraught with ambiguity and distrust. We embarked on an organization-wide effort … and implemented Steven's tools for honest and effective communication. The dramatic, near immediate, positive results were evident in the surge in … customer satisfaction and workforce performance."

For honest communication to take hold, we must leave our own offices and talk with people at all levels and in all areas. Go fishing for honest feedback and ideas. If we wait, we might only hear about it when it is too late.

Even in difficult times, we must consistently practice full disclosure and transparency. The management at one company I worked with was reluctant to tell the truth about impending layoffs for fear of losing good employees. When they finally announced the layoffs, valuable staff lost their trust in the leadership. As a result, many of those employees eventually left.

There will always be challenges to your organization's immune systems – competition, economic slowdowns and unexpected losses are just a few. You must stay focused, resist the temptation to react negatively and instead, reward honest, open feedback. Open, honest communication is often the antidote to the eleven hidden problems that inhibit our organizations' teamwork, collaboration, innovation and growth.

*When executives instill practices that reward honest communication, they empower staff, fuel innovation, enhance teamwork and boost the bottom line.*

Steven Gaffney is a leading expert on honest, interpersonal communication, team performance, leadership and change management. He has worked with numerous Fortune 500 organizations and government agencies to help increase revenue and drive profit. Thousands credit Gaffney's seminars, media appearances, books and products with making immediate and lasting changes in both their organizations and personal lives. He is also the author of two ground-breaking books, Just Be Honest and Honesty Works, and the co-author of Honesty Sells.

For more information, please visit www.StevenGaffney.com.