

A Business Failure Taught Me Positive Deviance

by David Mackley, former CEO of Rochester Environmental
Park

As a CEO and management consultant, I developed an *expert leadership style* that I later discovered leaned more toward a top-down “Command & Control” approach. I believed that workers relied on strong leaders who were smart and had all the right answers. I thought a good leader could make employees feel safe by predicting and avoiding the trouble of the impending future. I thought that if I gave well-conceived direction, the organization would be free to execute to the best of its abilities. I was so wrong.

An unexpected business failure taught me positive deviance and my leadership style changed forever. Now, I contribute better results, and the organizations I belong to thrive with “tremendous enthusiasm.” Ronald Heifetz of Harvard’s Kennedy School, Center for Public Leadership endorses a leadership style referred to as “Adaptive Leadership,” which is the closest description of the leadership style that PD taught me.

The Adaptive Leader is confident in the processes of management, operations, and innovation, despite not knowing what might be the exact outcome. Sure there are leadership duties that are better done by the CEO, but the company works best when everyone can lead, can teach, and contributes ideas that deliver us beyond some risky or challenging point. The old Command & Control Leadership Style is so limiting, it makes people dependent and unsure of themselves and their company.

I learned in July 1997, that an unexpected event can flip your ideas about leadership upside down. I was the lead consultant to a project team, which worked for years on getting permits, funding, constructing, and operating a large scale recycling & manufacturing plant. The company’s pro-environmental mission was to take in 890 tons per day of construction & demolition debris and chop it into small pieces through a recycling process with gigantic crushing machines. A high tech, state-of-the-art machine was designed by experts to reduce 100 tons per hour.

Like all start up businesses, there were problems at first. The machine was only

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processing *35 tons per day*, nowhere close 35 tons per hour. All options failed to improve the rate of throughput. The experts were recalled. Nothing worked. Gigantic piles of material accumulated five stories tall waiting to be processed. Truck deliveries overwhelmed our soaring stockpiles. The regulators fined the business \$50,000 of which we did not have. The banks were panicking like school kids. The stockholders were selling their shares to avoid paying environmental penalties. Then tragedy really struck. The client was the majority stockholder, equipment expert, and President and he went on vacation and never came back!

I was an office guy. Good at business, but a novice at heavy equipment design or operation. For a few days, we stumbled about trying to identify the problem and solution. But, eventually I was forced to call the employees together and announce the temporary closing of the plant due to our inability to make payroll after that day. I told them the complete truth, “We can no longer pay you, but I am committed to figuring this out and I will be doing that through the weekend. If some of you would like to volunteer, be here Monday at 8 AM and we will work together. I would be grateful. I don’t know what will happen, but let’s give it our best shot to reopen this business.” As the new CEO, I figured in this case, “we had to slow down, in order to speed up.”

Three young inexperienced men volunteered Monday. We taught each other how to operate the heavy machinery. There were plenty of mistakes. I made most of them, but we finally learned. I listened to every idea and we eventually tried some ideas that worked. One of the volunteers came up with the idea of manufacturing bigger pieces by cutting away half of the brand new crushing machine. Then we guessed we could process 10 times faster. So, we nearly destroyed a \$1 million dollar machine in our risky customization, but it worked. We were processing 600 tons per day within a few weeks and making the environment a safer place in doing so. Victory. The business became a thriving success, the volunteers were all rewarded with money and promotions. The work culture changed dramatically.

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In business, we can't really predict the future. Instead, we can do our best to build systems that enable us to succeed in uncertain conditions. PD is a natural phenomenon that we can rely upon, if we leaders more honestly assess our own personal limitations. Instead, we focus on the strengths of the good people around us. The people closest to the work have at least 1,000 better answers and are just waiting to be trusted.

So, now I share leadership, and assume I don't have the best idea, unless it works for others. I embrace a shared vision, focus on new leadership duties, endorse experimentation, and trust the everyday PD process to navigate our future. Not only does positive deviance feel "business-natural," but it's also proven to work at least 10 times better.