



NUMBER 1:

LOVE YOUR PEOPLE



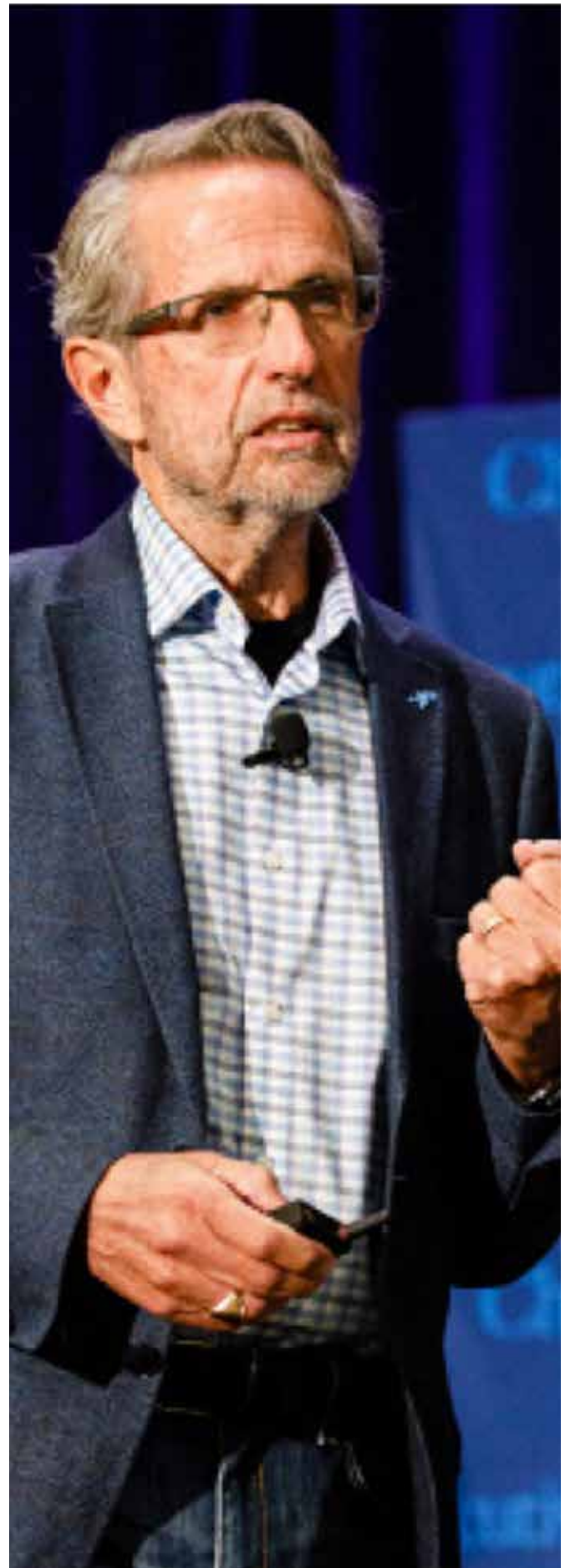
Bob Chapman, CEO of \$3 billion Barry-Wehmiller, has a radical idea: Treat your people like your actual family, he says, and they'll transform your organization. Welcome to the leadership-by-love revolution.

BY DALE BUSS

BOB CHAPMAN IS GLAD TO SEE the folks at the Business Roundtable are woke. The group's recent redefinition of the purpose of corporations—to include the needs of stakeholders such as employees as well as shareholders—got the work-culture guru opining that it's about time America's most august collection of CEOs caught up to him.

"Bravo!" Chapman wrote on a public post on LinkedIn, a few days after the Business Roundtable proclamation. "Now the real work must begin. Moving from intention to action to indoctrination will require significant resources and a great deal of courageous patience."

Who is this guy inviting the captains of capitalism to follow a path he first trod? The 73-year-old Chapman is a mild-mannered former accountant, not a new-age digital-tech entrepreneur. His manufacturing company fabricates old-school metal things like pressure-sensitive labeling machines in Minneapolis and handkerchief-making equipment in Germany. Chapman wears a Western-style string tie and talks about employees being "someone's precious child."



His company, Barry-Wehmiller, is headquartered in St. Louis—geographically near the center of America, but considered the boondocks by coastal cognoscenti when it comes to sophisticated, global-level thinking about leadership and management. Yet, Chapman attracts disciples from every corner of business and around the world. He built a privately held, \$3 billion, diversified manufacturing empire by acquiring low-hanging fruit in 110 separate transactions over 45 years. He's also spearheaded the transformation of the culture of Barry-Wehmiller and its 14,000 employees, as well as that of each new company he brings into the fold.

His basic notion is that business leaders must recognize that work life is the single biggest determinant of how a person performs not just vocationally but also personally, and that the way to ensure a happy, productive workplace is to treat every employee like family. Not only does this approach transform what happens on the job, but it can have profound effects outside work and on an employee's overall satisfaction with life.

Chapman distilled his approach into a broad formula he calls Truly Human Leadership and that he encourages business leaders to enact in their own ways (see sidebar). How to do so begins, in his view, with creating a robust enterprise. "You need to have a resilient business model, because if you don't, you'll hurt the very people you want to help," Chapman says. "You can also have a profitable business model but really hurt people getting there."

With that base, practitioners of Truly Human Leadership conduct what Chapman calls "business visioning," which encourages stretch goals, and "cultural visioning," in which leaders get hopeful about transforming the workplace with values and behaviors. He recommends creating a "leadership checklist" of the actions managers and executives should take every day.

Lean thinking and continuous improvement play roles, too—although aimed not at replacing jobs but at enhancing outcomes. Leaders should encourage their charges to exercise "responsible freedom" to make choices without fear of second-guessing. They must also continually look for opportunities to recognize and celebrate achievements, awarding "firefighting" and "firelighting."

SPREADING THE WORD

Chapman began sharing his employee-centric management philosophy in a popular TED talk in 2012, codified it in a book

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in 2015 and now spreads the gospel of in about a dozen speeches and appearances around the world each year. Meanwhile, consulting wings of Barry-Wehmiller help enact culture-change at eager clients that range

from American Airlines to Meijer to the San Francisco 49ers.

Chapman's results "prove that it's not the work that matters—it's where and with whom and who our leaders are," says Simon Sinek, the Start With Why organizational consultant and Columbia University professor who was an early booster of Chapman's philosophy. "It's a better way of doing business than the current bastardized system of capitalism, with

short-term thinking that is good for Wall Street but bad for companies and the workers themselves."

"Bob has found ways to get enormous things out of average people, and most of us are average," adds John Stroup, CEO of Belden, a St. Louis-based, \$2.6-billion manufacturer and member of Barry-Wehmiller's board since 2008.

Putting people first, as in Chapman's book, **Everybody Matters: The Extraordinary Power of Caring for Your People Like Family**, is hardly a new idea. But the fact that it's gone largely underutilized is borne out by damning statistics on American employee disengagement even amid a strong U.S. economy and nearly full employment.

"I experienced three revelations that my ideas are built on," says Chapman. "First, why can't business be fun? Second: Business is the most powerful force for good in the world. And, third, everyone who works for you is someone's precious child."

This kind of philosophizing was far from Chapman's mind in 1975 when, at the age of 30, he took over as CEO of Barry-Wehmiller after his father, the previous chief, died of a heart attack. The company had diversified from supplying bottle-washing equipment to breweries to making other packaging systems. But it was flirting with bankruptcy.

Chapman launched a company turnaround and began getting good ROI—but with a poor culture. "At one point he told me he thought our executive team got along pretty well," remembers Rhonda Spencer, Barry-Wehmiller's chief people officer. "I asked him, 'Where are you working? We're killing each other out here.' It was like most other companies. It was never a bad place to work; it just wasn't special. It was exciting because of all the growth, but there was nothing purposeful about the culture."

Chapman continued on the first of what he calls his two journeys: value creation. Following the philosophy of the late Charles Knight, the iconic leader who was still CEO of Emerson Electric at the time, Chapman diversified his company away from its historic business, concentrating growth in no single market or technology. He focused on hard-luck potential acquisition targets, foreswore banks for financing the deals and hoarded cash to get them done.

The result: year after year of double-digit growth in revenues and profits. "If he weren't so good at what he did, there would be no way for him to create the environment he's created," Stroup says. "He has great business insight." For example, "I can't remember a time where he's overpaid for a company. If he can't buy a company on terms that he thinks are good for shareholders or employees, he just walks away."

PARENT LEADERSHIP LESSONS

Chapman's "human journey" is his other trek. As he built Barry-Wehmiller, he found himself relying on insights from raising six children with his wife, Cynthia Chapman, more than anything else. "Bob's thinking grew as his family and the complexity of dealing with them grew," says Raj Sisodia, Chapman's co-author.

"I was trying to fix this 100-year-old business with what I learned in business school and graduate school," Chapman recalls, "but I came to define the word 'management' as 'the manipulation of others for your success.' What I learned

THE HOW OF HUMAN LEADERSHIP

Few CEOs argue with Bob Chapman about treating employees better, and many marvel at his recounting of the results of his philosophy at companies across America. But they wonder: How do I do it?

Here are some tips for introducing your Truly Human Leadership at your organization:

Start Simply: Chapman writes in *Everybody Matters*, “People often ask, ‘Bob, how can we do this? Where do we start?’ It starts with caring about the people you lead, which means listening deeply to them and inspiring them to share their gifts fully. We then celebrate their journey toward our shared goals, in ways that are thoughtful, timely, and proportional.”

Succeed in business: “It’s not as simple as just caring,” WHO IS THIS? Stroup says. “That’s incredibly important, but without a successful business you can’t create what they’ve created at Barry-Wehmiller. What [Chapman] demands is a commitment to culture, then makes big investments in training to help people learn to be more effective.”

Joe Wilhelm, president of BW Design Group, says that adherents should “never compromise the fundamental sustainability of the business as you try to implement your vision. People are counting on you to have a safe place to work.”

Get serious: Sinek complains, “Every CEO says people are important; they just don’t make decisions that prioritize their people or make their culture stronger. You need to be a true student of leadership, actually out there talking and learning and asking for advice.”

Also, advises Chapman, apply discipline during good times. “If you never gain weight,” he says, “you never have to lose weight. The best time to transform a culture is when the business is healthy.”

Assume difficulty: Chapman gets many requests for what amounts to a detailed handbook for Truly Human Leadership. “It’s like, ‘What do you want from me?’” Sinek says. “Bob’s frustration is that there are no ‘five steps to achieving great culture.’ It’s practice;

it’s lifestyle. It’s not a two-day off-site. So Bob isn’t going to give you a checklist, because it wouldn’t work.”

And there are no shortcuts. “It’s the layer of leaders at lower levels who need to be about discipline and process and market leadership and all the things that bring people along and engage them in the vision,” Spencer says. “You have to engage people in creating their own future but through continuous improvement, making things better and changing things that are frustrating to them.”

Use common sense: “How do you treat a loved one? With respect,” says Whiat. “It doesn’t mean you don’t let people go, but if you do, you do it in a respectful manner.”

Adds Lippert: “Everyone who has common sense knows what empathy is. And we also hold people accountable.”

Apply first aid: To revive a struggling organization, Chapman advises communicating a strong message of hope, taking immediate and tangible actions to “get the patient healthy” such as fixing the most compelling problems and removing obvious bottlenecks, starting to build teamwork and a sense of oneness, and catching people “doing things right” instead of wrong.

Vow to share sacrifice: Don’t over-promise. “You can’t say that you’ll never lay anyone off—that would be a bit of a fallacy,” Wilhelm says. “But the key is to do everything possible to protect [employees], because we’re in this for the long term.”

Tap into “visioning”: Chapman calls visioning “the most powerful tool in leadership, forcing an organization to articulate its assumptions and aspirations and helping paint a vivid picture” of what they want the company to become. “We constantly ask business leaders, ‘Where is the unit going? Why? When you get there, how will this have taken people to a better place?’” says Chapman.

Check your motives: Truly Human Leadership isn’t meant as a cudgel for achieving specific results. “If you start with the wrong reason, you end up with the wrong result,” Chapman says. “You don’t do this to make more money or improve retention. It’s—if you look at the people you have the privilege of leading, how can you not do this?”

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Still, it wasn’t until 1997 when the simple act of authorizing a March Madness bracket competition in the headquarters office opened his eyes to the transformative power of fun in the workplace. “We saw a significant improvement in performance and a dramatic change in joy from that one exercise,” he says.

“I experienced three revelations that my ideas are built on. First, why can’t business be fun? Second: Business is the most powerful force for good in the world. And, third, everyone who works for you is someone’s precious child.”

From there, he and Spencer began collecting maxims that already littered Chapman’s office walls, and a 2002 summit of the company’s 20 top leaders produced a seminal manifesto. “We came up with a foundational document that guided

us, and then we said we have to go out and preach this in the company,” Chapman says. “Where we were not living these values, employees would point it out.” A copy of

Barry-Wehmiller’s Guiding Principles of Leadership, written large, still hangs in the headquarters lobby.

The journeys began converging in places such as Paper Converting Machinery Co. in Green Bay, Wisconsin. In the early 2000s, the family-owned, \$200 million maker of giant machines for tissue-manufacturing companies was a dysfunctional mess with wild swings in business, market-share losses to foreign competition, counterproductive micromanagement on the factory floor, unpredictable layoffs, a top executive layer that was financially insulated from its own poor leadership and, not surprisingly, a toxic culture.

Barry-Wehmiller acquired the company in 2005, and Chapman went to Green Bay to promise a revival to the 1,000 employees. “I said, ‘We believe in you. We can turn this business around, and we can do it with the people who are here today.’” Barry-Wehmiller extended the operation’s customer base, embarked on a continuous-improvement process, boosted quality and applied Chapman’s people philosophy. Turnaround ensued within two years, and a few years later, Paper Converting Machinery Co. stood as a model of a transformational culture.

CARE IN MOTION

For Barry-Wehmiller as a whole, the rubber met the road

during the Great Recession, when its business suddenly plunged by nearly 40 percent for a time. “Before we’d published our guiding principles, I would have done exactly what everyone else did: dehumanize, downsize, make layoffs, right-size,” Chapman says. “So we said, ‘What would a caring family do?’ We’d all pitch in and take a little pain.”

The company furloughed everyone for a month and suspended 401(k) matching to spread the sacrifice. “People were more than willing to do it so their friends at work didn’t get hurt,” he says. “Senior leadership members volunteered to take weeks off for someone else. Caring for each other was amplified dramatically. Morale went up.”

Another benefit of handling the pain without layoffs was that Barry-Wehmiller was fully coiled when the economy recovered, and the company enjoyed its fastest growth from 2011 through 2013. It has continued to report double-digit performance gains year after year.

Eight years ago, Chapman reached out to Sinek to see if he would be impressed. “I went to visit four factories, and was blown away,” recalls Sinek. “But I told [Chapman] until they shared the means for providing this culture where people love coming to work, it’s pointless. That really shook Bob, and he committed shortly thereafter to being much more public and open and willing to share what they’d learned.”

The proactive thrust included spreading the Truly Human Leadership philosophy through its internal “university;” through BW Design Group, a technology-consulting arm that now has 1,500 professionals serving clients worldwide; and by creating, in 2016, the BW Leadership Institute, recently renamed the Chapman & Co. Leadership Institute.

A committed Episcopalian, Chapman resists making his philosophy an instrument of proselytization even though he says he’s “blessed by a higher calling to spread this message. I don’t want to exclude anyone from the tent. I use the word ‘care’. It’s universal.”

DEVELOPING DISCIPLES

One of the Leadership Institute’s first clients, Webasto Roof Systems, an auto-sunroof supplier in Rochester Hills, Michigan, began its Truly Human Leadership journey with a company-wide, weekend-long “summit” at a casino in Detroit where employees spent hours in exercises such as openly celebrating small achievements by their fellow workers, face-to-face around banquet tables.

Other leaders took a DIY approach to embracing the philosophy. After looking up Chapman’s TED talk, Lippert Components CEO Jason Lippert decided to apply Chapman’s ideas to the 800 leaders in his RV component manufacturing company of 9,000 employees. He hired 10 leadership coaches and six “personal-development” coaches for those leaders to help them live out a corporate philosophy Lippert called “Everyone Matters” and to drive it down through the ranks.

“We created five clear leadership values, and if [leaders] don’t live by those values, they can leave,” Lippert says. Among results: Attrition shrank to about 28 percent from 115 percent in five years even amid fierce labor demand in the RV business.

Marc Braun, president of Cambridge Engineering, flew with Chapman to a Barry-Wehmiller operation in Wisconsin



where he interviewed a handful of employees. “Real people shared real stuff,” says Braun, whose HVAC-equipment manufacturing company has succeeded in its own cultural transformation. “It’s what allowed me to know that the heart behind it is real.”

Not every company scores immediate or broad success after unwrapping Chapman’s precepts. American Airlines, for example, remains battered by contract disputes and other traditional labor woes three years after welcoming in Leadership Institute consultants to reprogram top management, under CEO Doug Parker. The airline is “improving systems and operations as the culture moves along, which is a challenge when you’re trying to work with 130,000 people,” says Matthew What, an institute partner.

With a slowdown potentially taking shape, companies that have embraced Chapman’s approach—including his own—may face a huge test of their commitment to Truly Human Leadership.

Meanwhile, Chapman continues to expand his personal efforts to spread a philosophy he believes can improve both businesses and the work lives of their employees—one that originated with a relatively obscure manufacturer in St. Louis.

“We’re actually known more already now for our culture than our products,” Chapman says. “I’m incredibly proud.” ■

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