

The Broken Windows Theory & Leadership

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An unusual experiment that was done back in the 1960's can shed some light on how best to run an insurance agency or financial services firm today.

A professor from Stanford left two abandoned cars with their hoods open in two bipolar neighborhoods. The expected thing happened on a rundown street in the Bronx. Within ten minutes, people started stripping it and within three days it was destroyed. And to the one left in a rich Palo Alto neighborhood? An unexpected thing happened...the car remained untouched for a week. That is, until the professor took a sledgehammer to it and started breaking windows. Soon, passersby joined in, and it, too, was destroyed within hours.

This led to the "Broken Windows Theory" which, when applied in the criminology world, goes like this: When a broken window in a building is left un-repaired, vandals soon break the rest of the windows. Why does this happen? Because the broken window sends a signal that no one is in charge here and that breaking more has no undesirable consequences. The broken window theory has become a metaphor for a whole host of ways that behavioral norms can break down in any community.

How does this apply to leadership? In a word, "Everything." Once people begin disregarding the norms that keep order in a city or even an organization, both order and community unravel and it spreads, sometimes with astonishing speed. Anytime sub-standard or mediocre performance by one person is tolerated, it can have a mushrooming impact and an adverse effect on others in the group. Adding to the dilemma, you can't always see the proverbial crack in the glass, and sometimes it spreads so slowly and subtly, that it isn't recognized early enough.

Take heed, this is not just about crime and punishment. Yes, sub-standard performance and behavior can spread like wild fire, but success and positive behavior also leave clues and a path for others to follow. As illustrated by the Law of the Farmer, "We reap what we sow"...both poison ivy and flowers can grow once planted and all behavior has consequences. When a highly committed producer is doing the right things (and getting the results that their peers want), and when a high degree of professionalism and commitment are exemplified, that too can set the tone and become widespread. And that it will, when it is clear that a leader is in charge and the goals are clear.

There is also something that develops simultaneously with good leadership, but it is "invisible." It's the culture, an intangible that can't be seen, but almost nothing is more important. With the exception of a few, it is unlikely that that positive behavior will sustain itself without good leadership and systems to keep it going. Buying the right tools isn't the answer. The clubs don't swing themselves. Someone or something needs to be in charge, in order for any organization to flourish. The former is obvious, but the latter is not. It's the culture, as demonstrated from the top down.

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