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# You are ignoring the people who see the problem every day.

In the previous edition, we reflected on a very real risk: CEOs and CFOs can have accurate numbers in front of them and still reach the wrong diagnosis if they interpret those numbers without also looking inside the system that produced them. Financial results show what is happening, but not necessarily the mechanism that generated it. Behind a shrinking margin, a rising cost or deteriorating productivity there may be poorly constructed processes, confused responsibilities, slow decisions, rework, inefficiencies and problems that traditional reporting can only see once they have already produced a financial effect.

This leads to a second reflection, perhaps even more uncomfortable. Many of the causes invisible to senior leaders are not invisible within the company at all. There is always someone who sees them. Often more than one person. The problem is that those people are not at the table where decisions are made.

## The quality of the decision

It happens in SMEs and in large corporations. Senior leaders listen to management, observe the market, commission analyses, compare benchmarks, study competitors and, in some cases, even take seriously what they see on social media. All potentially useful sources. The problem arises when they are used to make decisions without first checking what is already known by the people who work every day within the processes affected by those decisions. This is not merely a matter of listening to, involving or respecting employees. It is a matter of decision quality.

Someone working directly on a process possesses information that rarely emerges in reports: they know exceptions, workarounds, unnecessary steps, recurring errors, real constraints, customer behaviour, supplier problems, duplicated activities and operational consequences that may not be visible to someone looking at the company from above. When this information does not enter the decision-making process, senior leaders are not simply “listening too little”. They are deciding without part of the reality.

They may therefore approve a solution that is perfectly logical on paper, consistent with the available data and perhaps even aligned with market best practices. In the reality of the business, however, it fails to solve the problem, creates a new one and ignores an opportunity that people on the ground had already identified.

Many companies look outside for answers they already possess inside. They spend time and money understanding what is happening, while part of the diagnosis - and sometimes even the solution - is already in the hands of people no one thought to involve before deciding.

## Seeing what reports do not see

People in production see where a line slows down, which materials cause problems, which procedures work on paper but waste time in practice, which breakdowns recur and which temporary solutions have become permanent. People in the warehouse see unnecessary handling, stock generated by uncoordinated purchasing and urgent issues that should not exist on paper. People in administration see errors repeated every month, documents sent back, communication and collaboration problems, and tasks that must be redone because something upstream keeps failing. Those who speak to customers and suppliers every day pick up signals that often emerge too late in KPIs.

These people do not necessarily possess an overall view of the company, and they should not replace those responsible for leading it. But they possess something senior leaders cannot have in the same way: direct knowledge of what happens at the precise point where strategy, procedures and decisions meet reality.

## Profoundly short-sighted

Meanwhile, many organisations continue to reason according to a rather arrogant distinction, even when no one would dare state it openly: those at the top think, those at the bottom execute. A professional title thus becomes a kind of implicit certificate of understanding, while operational work is treated as mere execution. It is a convenient interpretation, but a profoundly short-sighted one. A factory worker may not know the industrial plan, but may know exactly where that plan loses money every day. An administrative employee may not know the commercial strategy, but may see perfectly which part of that strategy is producing errors, delays and unnecessary work.

Someone in customer service may not have access to aggregated data, but may notice weeks earlier that something is changing in customer behaviour.

The point is not to attribute skills to employees that they do not have. The point is to stop ignoring the ones they do have.

In many cases, senior leaders do not directly know what happens in the company: they know the version that reaches them. In corporations it may pass through several hierarchical levels; in SMEs perhaps through a single manager or trusted person. The distance changes, not the risk. Each step selects, summarises and interprets. Even in good faith, information changes as it moves upwards. Some problems are downplayed, others considered temporary, and others never reach the top. Those reporting have priorities, objectives, pressures and their own interpretation of events.

In some cases, they also have decisions to defend or mistakes to explain.

The result is that senior leaders may be convinced they know the company well when, in reality, they only know a filtered version of it.

## It is not engagement. It is economics.

When a problem finally erupts, we hear that “nobody knew”. Very often, that is only half true. The CEO did not know. The CFO did not know. Perhaps even the person coordinating that area did not know. But someone, three levels further down, had known for months. Perhaps they had even tried to report it. This is often treated as an engagement or internal communication issue. That is a reductive interpretation. The problem is economic.

If a production worker sees waste every day that is never brought to the attention of someone who can eliminate it, the company loses money. If an employee knows why the same mistake forces dozens of tasks to be redone every month and that information remains confined to their office, the company loses money. If someone in contact with customers detects a change in their needs but that signal never goes beyond their function, the company may lose an opportunity before even knowing it existed.

Simply “giving people a voice” is therefore not enough. Even that expression risks becoming yet another corporate slogan. Channels are needed that allow relevant operational information to reach those who can assess it, without depending entirely on the same hierarchical chain that should report it. Leaders are needed who can distinguish opinion from knowledge of the process. Above all, we need an environment in which reporting a problem does not automatically mean becoming “the one who complains”. It should be seen as a natural part of one’s work: if I see something that could harm the company or improve how it functions, I bring it to the attention of someone who can assess it.

It is up to senior leaders to create the conditions for this to happen. Every part of the company sees a different part of the system: considering it irrelevant simply because it comes from further down means choosing not to see part of reality..

## Is it really in your interests to keep making short-sighted decisions?

At this point, the reflection leads to a very simple conclusion.

When a decision is made without gathering the know-how of those who experience that reality every day, it means consciously accepting that we are deciding with incomplete information, without knowing all the available facts.

So the rule should be almost obvious: no important decision about what happens inside the company should be made without first also listening to those who know that reality directly. Assuming the intention is to make better decisions.

You already have the eyes you are missing within your company. It is up to you to decide whether to use them or continue making short-sighted decisions.

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