



## Foundation of Leadership, Reinvented

When Bob Chapman stopped thinking like a boss and started thinking like a parent, Barry-Wehmiller's longtime chairman and CEO realized something revolutionary.

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by [Matt Alderton](#)  
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### Quick Hits

**The Challenge:** Traditional management methods created a workplace employees dreaded instead of enjoyed, stifling productivity and happiness.

**The Plan:** Approach the workforce as if it were a family, caring for employees as individuals.

**The Execution:** Create an internal curriculum to cultivate behavior from management to the C-suite that fosters community and relationships.

**The Result:** Improved morale, business performance and price per share.

**“I won't go to my grave proud of the machines I've built.”**

It's a bold statement coming from the chairman and CEO of Barry-Wehmiller. The \$2 billion company manufactures and sells machines: packaging systems that bag pet food; machines that apply labels to cold medicine; processing machines that cut and bind paper for books; and centrifuges that separate plant and animal matter for use in chemicals, pharmaceuticals and food.

But for Chapman, the most important thing that Barry-Wehmiller builds isn't sheeters, corrugators, palletizers, labelers or fillers. It's leaders. “I'll be proud of the people we built—who we allowed to find their gifts, develop their gifts and be appreciated for their gifts. That is the foundation of a thriving business,” he says.

It's a product of Chapman's own business philosophy: Businesses don't exist to make money. They exist to improve the world we live in. When they *nurture employees*, companies naturally make more profits. And that idea has proven itself at Barry-Wehmiller, which has maintained a pattern of 15 percent compound annual growth in revenue and share value since 1987. The company comprises more than 60 acquired holdings spread among 10 global subsidiaries.

Against the odds, Chapman's board agrees with his philosophy. The company is a rare breed that performs extremely well financially and simultaneously creates an enjoyable work environment for employees, says Barry Wehmiller board member John Stroup, president and CEO of Belden Inc., a St. Louis-based manufacturer of networking, connectivity and cable products. “I've gotten very comfortable with the notion that engaged employees are always good for shareholders in the long run,” Stroup says.

**“People may have a job, they may make a pretty good salary. But they lack any sense that who they are and what they do matters. That is the crisis we have in this country, and it exists because we're not creating leaders.”**

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When Chapman became CEO at 30 (his father passed away unexpectedly, leaving him the company), he had limited leadership experience—but a lot of education. Eager to win over the company's shareholders, he applied the techniques he learned earning his MBA: a traditional, top-down approach to management that prized mandated processes, dictated directions and canonized efficiency.

Profits rose. Spirits, however, fell. In this interview, Chapman describes how he came to realize the reason—his employees felt controlled, minimized and not cared for. With this insight, he decided to demolish his leadership approach and rebuild it from scratch. He calls it Truly Human Leadership, or THL, which seeks to nurture employees instead of control them.

Chapman currently focuses on enabling executives to reinvent the foundation of leadership at their companies the way he has reinvented it at Barry-Wehmiller. Now 70 and the author of a new book, *Everybody Matters: The Extraordinary Power of Caring for Your People Like Family*, he shared with *Insigniam Quarterly* his vision for creating happier people and a healthier world.

Insigniam Quarterly: You've said that the United States is experiencing a leadership crisis. What do you mean?

**Bob Chapman:** Eighty-eight percent of all people in United States feel they work for an organization that does not care about them. When people feel that way in the environment they experience every day for eight hours a day, they go home to their families and inadvertently treat their families as they have been treated at work.

**“Everybody that works for us is somebody's precious child, and we have a chance to profoundly impact their lives.”**

The way in which we as employers are treating the lives that are entrusted to us every day is harmful. People may have a job, they may make a pretty good salary. But they lack any sense that who they are and what they do matters. That is the crisis we have in this country, and it exists because we're not creating leaders.

**IQ: If we're not creating leaders, what are we creating?**

**BC:** What I was taught in business school was management: If you were smarter than other people, you would become their manager. You would tell them what to do, and they would go do it.

[Since Henry Ford] we have become stewards of process. We worship process. Mass production led to dramatic growth in our country, but it was never about creating a better life for people. It was about creating value, profits and growth.

[Leadership expert] Simon Sinek says it perfectly: “In the military, they give medals to people who are willing to sacrifice themselves so that others may gain. In business, we give bonuses to people who are willing to sacrifice others so that we may gain.”

That is the problem.

Over the course of the '80s and '90s, through being a parent I realized that everything I had learned about management was wrong. What is leadership? It is the stewardship of those people who walk in your doors every day around the world, who give of themselves in service of creating value for all of your stakeholders.

Yet in business, people are often viewed as objects for wealth accumulation. I was taught that to be successful I needed a receptionist, an accountant, an engineer and a salesman. I was taught that I could be nice to them and pay them fairly. But I was never taught to feel responsible for them.

IQ: So, what changed?

**When did you learn to feel responsible for employees?**

**BC:** My journey of leadership began in survival mode. Barry-Wehmiller was a 100-year-old business that had lost its way for the previous 75 years and just kind of existed in a very mediocre way. When my dad stepped into leadership in the '50s and bought the company from the Wehmillers in the '60s, he struggled to give it a foundation for the future. In 1975, he died suddenly. I had only been with the company six years, and the first person of significance I met after he died was our banker, who wanted out of our loans.



I subsequently had three defining moments. The first was in 1997. We were well into the process of doing acquisitions. I'd bought a company in South Carolina and flew down there to be there on the first day that I owned it. It was March of 1997, and you know what happens in every office around this country in March: March Madness. I walked in a little before the office opened and everybody was talking about their basketball team. They were having fun. But the closer it got to 8 o'clock when the office opened, you could see the joy go out of their body. I later said to myself, “Why do people have fun doing something that won't make a material difference in this world—like betting on basketball games—but when they go to do what they've spent their entire life preparing themselves for—a career—they call it ‘work’?” I wanted people to have as much fun at the office as they had betting on basketball.

The second event occurred at church. My mentor, Ed, was the director of our church, and I was always in awe that he could stand up each week in church and inspire us. Ed only had us for an hour a week. Barry-Wehmiller has people for 40 hours a week. I saw the potential impact we could have on people's lives. I understood that day that business could be the most powerful force for good if it could only accept the profound responsibility it has for impacting the lives of people who work in organizations.

The third event was at a wedding where I watched my best friend escort his daughter down the aisle. It occurred to me, “Everybody that works for us is somebody's precious child, and we have a chance to profoundly impact their lives.”

**IQ: How are the principles of THL manifested in the workplace?**

**BC:** It's not about writing a note to people on their birthday or sending flowers for the birth of a new child. It's not about being nice. [It is about profoundly caring for the stewardship of the lives upon which you have an influence.](#) Barry-Wehmiller leaders actualize caring in many different ways, and we don't tell them exactly how they should do so. What we do offer them is a daily reminder of the essential actions of good leaders. That's our Leadership Checklist (see sidebar above), and it serves as a guide to how best to serve and care for those within their span of influence.

**IQ: How is THL manifested in the bottom line?**

**BC:** We were doing very well in terms of shareholder growth and value before we began this journey. But if you made a graph of our business performance as we began to embrace THL, the curve started to go up exponentially. We have a very unique share price that emulates the public markets. It's called the EVA Methodology—Economic Value Added—and it's calculated objectively compared to market fundamentals. That measure has gone up over 15 percent a year compounded for 25 years. So, we are seeing exponential growth as our people are able to express their gifts fully in an environment where they feel valued and safe.

**IQ: How will THL survive in your organization after you leave it?**

**BC:** We needed to create people who believe deeply what we believe and live the values that we are talking about. So we created our own university [within Barry-Wehmiller] to teach people the 12 things that you need to think about every day as a steward of the lives entrusted to you. We have 22 professors dedicated full time to teaching content around each of those 12 points.

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**IQ: How has “reinventing leadership” helped you move closer to your goal of changing the world?**

**BC:** Seventy-four percent of all illnesses are chronic. The biggest cause of chronic illness is stress. And the biggest cause of stress is work. So, we're basically killing people. We are destroying their lives because we are sending them home from work every day to face the realities of living in a world of great conflict, trying to raise kids in that world and trying to have a marriage in that world that is fulfilling.

One of the things we teach is learning to empathetically listen. The conflicts we have in our families, in our businesses, in our communities, in our country and in the world are the result of a profound lack of the capacity to listen empathetically to the needs of others. When you listen to people, you give them the greatest gift you could give anybody, which is validating that who they are and what they do matters. It's a cycle. The good we do in the workplace gets amplified out in the world.

**IQ: Effecting that kind of change requires a redefinition of leadership externally as well as internally. What's your message to fellow executives to get them to join your cause?**

**BC:** We tend to treat business as if it's all about processes and numbers. Our aspiration is to be a symbol of hope that you can care about people and still create value for all your stakeholders. We don't believe in that. Barry-Wehmiller came up with. We believe it is a gift that we have been given. It's not ours to own; it's ours to share—and that's exactly what we're out there trying to do.

### Board Buy-in

**If a company's CEO is its heart, its board is its head. Barry-Wehmiller is no exception.**

Although Chapman swears by his management philosophy, his board's job is to keep him accountable and rooted in creating shareholder value.

“There's been healthy skepticism,” says board member John Stroup, president and CEO of St. Louis-based Belden Inc., the \$2.3 billion manufacturer of networking, connectivity and cable products. “I've definitely been in meetings where people have challenged Bob on the economic benefits of what we're doing. Sure, it sounds good. And it feels good. But is it helping our shareholders?”

The conversation is ongoing—but the board so far is convinced that it is.

“Barry-Wehmiller acquires a lot of companies, and Bob almost never changes the people out when he does. What he does, instead, is he creates an environment where he gets a lot more out of the people who are there than the company did before it was acquired. He does that by treating them with respect, listening to them, making certain they can participate [in decision making], creating incentives for them and motivating them,” Stroup says. “A couple things have become obvious to the board, in terms of the tangible, economic value of this approach.”

First, Stroup points to retention. “Most companies that struggle with retention also struggle with creating shareholder value,” he says. “It's rare that people leave Barry-Wehmiller voluntarily. It just doesn't happen very often.”

Second, Stroup points to Barry-Wehmiller's M&A track record. “We're very acquisitive, and when you're in that acquisitive mode you're often competing for companies,” he continues. “The culture at Barry-Wehmiller is making it a lot easier for us to convince companies to sell their businesses to us rather than to someone else. Because as you can imagine, they care a lot about who their new owner is going to be.”

But Chapman's leadership model can only work in the presence of sharp strategy and solid business acumen, Stroup says. “People sometimes think, ‘If everybody just treated their employees well everything would be great.’ I'm sorry to say, it requires more than that.” Stroup says. “Fortunately, Bob is a very good businessperson. He wouldn't be able to do the things he does for his folks if he didn't have such a great business and if he didn't run it so well.”

Matt Alderton

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