

Part 9

Performance Management

18. Managing Performance

19. Professional Performance and Sustaining Discipline

YOU CANNOT BE DISCIPLINED in great things and undisciplined in small things. There is only one sort of discipline—*perfect* discipline. Discipline is based on pride as a soldier, on meticulous attention to detail, and on mutual respect and confidence. It can only be obtained when all officers are so imbued with the sense of their moral obligation to their men and their country that they cannot tolerate negligence.

—General George Patton
U.S. Army

Learning Objectives

After studying Part Nine, you will be able to:

- Master performance management as a leadership skill.
- Know how to set goals, provide feedback on progress, and correct performance problems.
- Know your level of performance in the areas of statesmanship, working through others; entrepreneurship, achieving results; and innovation, generating new ideas.
- Model and reinforce high standards of professional conduct, including upholding core values and using a caring confrontation when corrective action is necessary.
- Improve performance through behavior modification.
- Answer the question, Would you hire you, based on your current professional performance?



CHAPTER 18

Managing Performance

Performance management is at the heart of leadership success. It is important to have a vision; it is important to have values; it is important to have leadership qualities, such as vitality, persistence, and concern for others; it is important to have the power of leadership position. But all of these will result in little actual accomplishment without performance management skills. Effective leadership requires the art of clearly communicating goals, coaching others to succeed, and correcting poor performance.¹

- **Performance planning** establishes direction and clarity of assignment. It provides the foundation on which individual and group performance can be developed and evaluated.
- **Performance coaching** involves the development and encouragement of people. The leader's challenge is to help individuals grow and fulfill their personal potential while advancing the organization's purpose.
- **Correcting poor performance** includes modifying and improving performance when mistakes are made.

Performance management seems reasonable and fairly simple to do, yet research shows that the majority of leaders fall short when it comes to clearly communicating goals, coaching others to succeed, and correcting poor performance.²

In their best-selling book on leadership, *The One Minute Manager*, Ken Blanchard and Spencer Johnson teach three secrets to leadership success that correspond with performance planning, coaching, and correcting. These are leadership techniques that work at all levels of leadership and in all work environments. The three secrets are as follows:

- One-minute goal setting for performance planning.
- One-minute praising for performance coaching.
- One-minute reprimand for correcting poor performance.³

These three secrets are drawn from the basic principles of behavioral psychology—the power of goals to focus and energize behavior; the need for feedback to reinforce or modify behavior; and the importance of praise as a recognition technique.⁴

One-minute goal setting. One-minute goal setting involves identifying three to five goals that are critical to success, and writing these on a single sheet of paper—in 250 or fewer words. It is important to include the individual in the goal-setting process, because there is a strong relationship between personal involvement and future success. The individual needs psychological investment, and participation in goal setting helps accomplish this purpose.

One-minute praising. One-minute praising involves showing appreciation for effort and accomplishments. It is based on two ideas: (1) People need feedback as a way of tracking and sustaining progress; and (2) what gets rewarded gets repeated. One-minute praising has four characteristics:

1. Praise is immediate.
2. Praise is specific.
3. Praise is sincere.
4. The individual is encouraged.

One-minute reprimand. The one-minute reprimand is saved for individuals who are trained and who know what to do, but make mistakes. The one-minute reprimand has four characteristics:

1. Correction is immediate.
2. Correction focuses on behavior, not on the character of the person.
3. Correction is sincere.
4. The individual is encouraged.

By mastering the three secrets of the one-minute manager, the effective leader can raise the productivity of individuals and groups. Use Exercise 18–1 to practice these secrets.

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Exercise 18-1 The Performance Management Lab

One-Minute Goal Setting

Use 250 or fewer words to identify the three to five most important goals of your job (or the job of another person). Include *what* the goals are, *why* they are important, and the *time frame* for action.

Goal 1: _____

Goal 2: _____

Goal 3: _____

Goal 4: _____

Goal 5: _____

One-Minute Praising 2

Look for the opportunity to recognize and reinforce good performance. When you deliver praise, be *timely* (if you wait too long, you may lose goodwill); be *specific* (explain why the performance is good and what it means to others); be *sincere* (show that you care about the person and what has been done); and *encourage* the person (set the stage for future success).

One-Minute Reprimand 6

If attitudes or actions result in mistakes, correct performance in an effective way. Be *immediate* (don't store or save up punishment); be *specific* (let people know the impact of their behavior); be *sincere* (show how important good performance is to you; show your interest and show that you care); *encourage* the person (emphasize positive qualities and your confidence in him or her).

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Taking Aim and Taking Stock

Effective job performance requires setting goals and measuring results, as the following story shows:

The famous industrialist Charles Schwab was visiting a steel mill that was producing far below its potential. The superintendent of the plant couldn't understand why—he had coaxed the employees, threatened them, sworn and cursed, but nothing seemed to work. Schwab asked the superintendent for a piece of chalk, and turning to the nearest worker, he asked, “How many heats did your shift make today?” “Six,” was the answer. Without saying a word, Schwab drew a large “6” on the floor and walked away. When the night shift came in, they asked what the “6” meant. A day-shift worker said, “We made six heats today, and Schwab wrote it on the floor.” The next morning, when Schwab walked through the mill, he saw “7” on the floor—the night shift had made seven heats. That evening, he returned to the plant and saw that the “7” had been erased, and in its place was an enormous “10.” Within a short period of time, one of the lowest-producing plants was turning out more work than any other mill in the company. The employees had set performance goals, and they enjoyed recording the results.⁵

The power of goals to focus behavior and the importance of monitoring performance is well documented. Over a thousand research articles and reviews have been published on the subject over the past 30 years.⁶

Setting Performance Objectives

Management author Peter Drucker explains the importance of setting performance objectives:

Each person, from the highest level to the lowest level, should have clear objectives that support the success of the organization. As much as possible, lower-level employees should participate in the development of higher-level objectives as well as their own, thus enabling them to know and understand their supervisor's goals as well as their own place in the plan.⁷

Setting performance objectives is important in four major areas—quantity, quality, timeliness, and cost. One or more of these areas will fit every person's job.⁸

Quantity. The most common method of measuring performance depends to some degree on quantity. In one way or another, we tally number of sales made, dollar volume generated, number of hours billed, number of fenders painted, or any amount that may be processed or produced.

Quality. This is one of the most important areas for which standards apply. Measurements of quality include at least two factors: errors and appearance. *Errors* can include monitoring rejects, misfiles, safety records, customer complaints, miswelds, wrong diagnoses, and countless other areas. *Appearance* deals with items other than rejects or specific errors and is more subjective in judgment. It covers such areas as neatness, a person's manner in answering the telephone, a receptionist's greeting of visitors, or a service representative's explanation to a dissatisfied customer.

Timeliness. This area includes such time factors as meeting deadlines for on-time shipments, on-time departures and arrivals, and absenteeism. Timeliness can also involve the development of new and workable approaches. The most creative idea needs the right moment for its introduction.

Cost. Cost includes the four *M*'s of management: *manpower*, *material*, *machines*, and *methods*. For example, is the person able to perform while controlling expenditures for labor, inventory, equipment, and corporate services? Can the person live within a reasonable budget?

Performance objectives should be measurable. A generalized objective, such as “improve customer service,” provides insufficient guidelines for achieving success. When performance objectives are specific and measurable, the individual can know when, and to what extent, those objectives have been achieved. The

following list consists of examples of measurable objectives for improving customer service:

1. Develop and implement a system that allows tracking, following up, and resolving customer complaints.
The system should identify the number and types of complaints, actions taken by whom, and date of resolution.
Maintain progress charts and graphs, and post them in places where employees can see them. This system is to be completed by January 1, 2015.
2. Achieve 98 percent on-time delivery by January 1, 2016.
3. Develop a blue-ribbon service system for our top 20 national accounts by January 1, 2017, by assigning one person to service each account.

Conducting Performance Reviews

After performance objectives have been established, progress should be reviewed to capitalize on strengths and improve weaknesses. Performance reviews keep communication lines open, help motivate employees, and give peace of mind to both employer and employee.⁹

Performance reviews should include three steps: preparation, implementation, and follow-up. Both the supervisor and the employee should be trained in carrying out each of these steps. Table 18–1 contains a performance review checklist for supervisors and employees.

Table 18–1
Performance Review
Checklist¹⁰

What to Do before the Performance Review

As an employee, you should

- Consider your strong points and formulate a plan to utilize them fully.
- Determine the areas in which you need to improve. Devise a plan to strengthen your performance in these areas.
- Think about what your supervisor can do to help you improve.

As a supervisor, you should

- Consider your employee's strong points and think about how you can reinforce or capitalize on these.
- Think about your employee's weak areas and consider actions for improvement.
- Think about what you can do to help your employee improve.
- Provide advance notice of the performance review; solicit employee input.

What to Do during the Performance Review

As an employee, you should

- Explain your strengths and weaknesses. Be thorough in expressing each one.
- Discuss issues that may not be apparent to the supervisor that hinder your performance.
- Present ideas to improve future performance; don't dwell on past mistakes, either to save face or to fix blame.
- Present what you think your supervisor can do to help you improve.
- Listen carefully to your supervisor's reactions; these are important indications of attitudes, priorities, and perceptions that will be useful in future dealings.
- Obtain final agreement on what each of you will do. Don't settle for "Let's discuss this again at a later date." Try to get as much commitment and agreement as possible.

As a supervisor, you should

- Create a positive climate—quiet, private, and free from interruptions.
- Tailor the conversation to suit the needs of your employee. Stop talking and listen. Have your employee begin by explaining each strength and weakness in his or her own words. Provide ample time for the full development of each point; avoid interrupting.
- Ask questions based on your prior preparation as well as on new information developed during the conversation. Encourage your employee to do the same.
- Be open and flexible to issues that may come up that you may not know about. Take a problem-solving versus problem-blaming approach.
- Ask how you can help your employee do a better job; listen carefully and take notes.
- Establish new performance objectives, standards, and completion dates. Make your expectations clear. Be direct and honest.
- Write down points of discussion and agreement. Review them so that both you and your employee have the same understanding.
- Remember that a performance review should involve two-way communication. Be prepared to compromise and be flexible. Remember also that you are the supervisor and, as such, are responsible for resolving differences.
- End the meeting on an upbeat, positive, and future-focused note.

What to Do after the Performance Review

As an employee, you should

- Keep your supervisor informed of progress toward meeting objectives.
- Discuss with your supervisor as soon as possible any changes that occur that affect your objectives.

As a supervisor, you should

- Develop a system of checks and reminders to be sure that performance objectives are being met.
- Show your employee that you want him or her to succeed. Provide positive reinforcement for progress made toward accomplishing objectives.

Multisource evaluations can be useful for improving performance. Approximately 90 percent of Fortune 1000 companies use some form of multisource assessment, including evaluations from supervisors, employees, peers, and customers. These assessments are called 360-degree feedback because the individual is rated by a whole circle of people.¹¹ Research shows improvement is most likely to occur when:

1. Behavior change is necessary.
2. Recipients believe change is possible.
3. Appropriate improvement goals are set.
4. Improvement is recognized and rewarded.¹²

At the core of using 360-degree feedback is the issue of trust. Using multisource evaluations confidentially for development purposes builds trust, while using them to make pay and personnel decisions reduces trust.¹³ When coaching others for growth, use the following guidelines:

- Use feedback as soon as possible.
- Focus on behavior change not personality analysis.
- Link feedback to learning and performance goals.
- Align improvement goals with key results for the organization.
- Coach for improvement not just for final results.¹⁴

Studies show the evaluation of leaders by employees can be a valuable tool for improving leadership effectiveness.¹⁵ Exercise 18–2 can be used to evaluate the performance of supervisors and managers. Exercise 18–3 can be used to evaluate the performance of executives.

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Exercise 18–2
How Does Your Supervisor Rate?¹⁶

Rate your supervisor on each criterion by circling the appropriate response.

Criteria	Responses		
	Very well	Fairly well	Not very well
Does the supervisor provide clarity of assignment?	Very well	Fairly well	Not very well
Are high standards of performance required?	Usually	Sometimes	Seldom
Is concern shown for employee needs and welfare?	Frequently	Sometimes	Rarely
Does the supervisor ensure that proper materials and equipment are available?	Very well	Fairly well	Not very well
Is favoritism shown in dealing with employees?	Never	Sometimes	Frequently
Do employees feel free to discuss job-related problems?	Whenever necessary	Sometimes	Seldom
Are employees given incomplete or confusing information?	Seldom	Sometimes	Almost always
Are all employees treated with equal respect?	Always	Sometimes	Rarely
Are employees recognized for good job performance?	Almost always	Sometimes	Seldom
Is the supervisor honest in all dealings with people?	Always	Sometimes	Almost never
Does the supervisor keep job knowledge current?	Very well	Fairly well	Not very well
Is the advice of employees sought in dealing with job-related problems?	Frequently	Sometimes	Seldom
Does the supervisor assign the right jobs to the right people?	Almost always	Sometimes	Rarely
Are employees criticized or otherwise belittled in the presence of others?	Never	Sometimes	Frequently
Are employees told in advance about changes that will affect them?	Almost always	Sometimes	Rarely
Does the supervisor encourage and support employee development?	Yes	Sometimes	No
Are employees kept waiting for decisions or information?	A short time	Varies	A long time
Are employee confidences kept?	Always	Sometimes	Seldom
Does the supervisor provide constructive feedback on employee performance?	Frequently	Sometimes	Rarely
Is blame shifted to employees for supervisory errors?	Never	Sometimes	Almost always

Scoring and Interpretation:

Count the number of items circled in the first column; then multiply that number by 3 and record the total: _____

Count the number of items circled in the second column; then multiply that number by 2 and record the total: _____

Count the number of items circled in the third column; record that number as the total: _____

Add the totals for the three columns to find the overall score: _____

Score	Evaluation
56–60	Excellent, outstanding
46–55	Very good, effective
35–45	Average; improvement encouraged
25–34	Poor; needs improvement
20–24	Failing; must change

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Max DePree, management author and retired chairman of Herman Miller, Inc., writes, “Healthy companies come from healthy leaders.” Just as one takes a physical exam to evaluate personal health, so can the leader take a leadership physical to evaluate leadership performance. The occasional checkup can be used to reveal strengths and areas for improvement.

Approximately 500 years ago, Niccoló Machiavelli wrote in his classic book *The Prince* that a leader should discourage unrequested advice, but he went on to say that a great leader is a great asker and a patient hearer of the truth. Once a year, the caring leader should visit with someone who understands leadership, knows his condition, and can provide objective evaluation and prescription for good leadership performance.

The following exercise includes a *brain scan*, *heart checkup*, and *fitness test* to evaluate leadership performance. Current status is less important than what the leader does with the data. What steps are taken to stay great or improve? See Exercise 18–3.

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Exercise 18-3 Leadership Physical

Complete the following evaluation of executive performance. Use the *brain scan*, *heart checkup*, and *fitness test* to evaluate the performance of yourself or someone you know in a position of senior leadership. Respond to each question by assigning a number from 1 to 15 (1 is low, 15 is high). Also include evidence to support your opinion and suggestions (Rx) to improve.

Brain Scan: Setting Direction

By creating a vision and a strategy for the organization to succeed, the leader gains the *respect* and *confidence* of followers.

Does the *leader*:

Chart the correct course?

needs
improvement
1-5

acceptable
6-10

a current
strength
11-15

Demonstrate good judgment?

needs
improvement
1-5

acceptable
6-10

a current
strength
11-15

Solve problems effectively?

needs
improvement
1-5

acceptable
6-10

a current
strength
11-15

Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

Heart Checkup: Caring about People

By showing consideration for others, the leader gains the *trust* and *loyalty* of followers.

Does the *leader*:

Show respect for all people?

☐

needs
improvement
1–5

☐

acceptable
6–10

☐

a current
strength
11–15

Serve the interests of others?

☐

needs
improvement
1–5

☐

acceptable
6–10

☐

a current
strength
11–15

Follow the Golden Rule?

☐

needs
improvement
1–5

☐

acceptable
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☐

a current
strength
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Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

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Fitness Test: Achieving Results

Through attention to detail and persistent hard work, the leader gains *credibility* and the *support* of followers.

Does the leader:

Keep job knowledge current?

☐

needs
improvement
1–5

☐

acceptable
6–10

☐

a current
strength
11–15

Stay focused on the task?

☐

needs
improvement
1–5

☐

acceptable
6–10

☐

a current
strength
11–15

Have stamina to succeed?

☐

needs
improvement
1–5

☐

acceptable
6–10

☐

a current
strength
11–15

Cite evidence to support your opinion:

Make suggestions (Rx) to improve performance:

Summary Scores and Interpretation

Scores 9–45 = Needs improvement in leadership performance

Scores 46–90 = Acceptable leadership performance

Scores 91–135 = Current strength in leadership performance

Any item rated 1–5 should be addressed and improved for leadership success.

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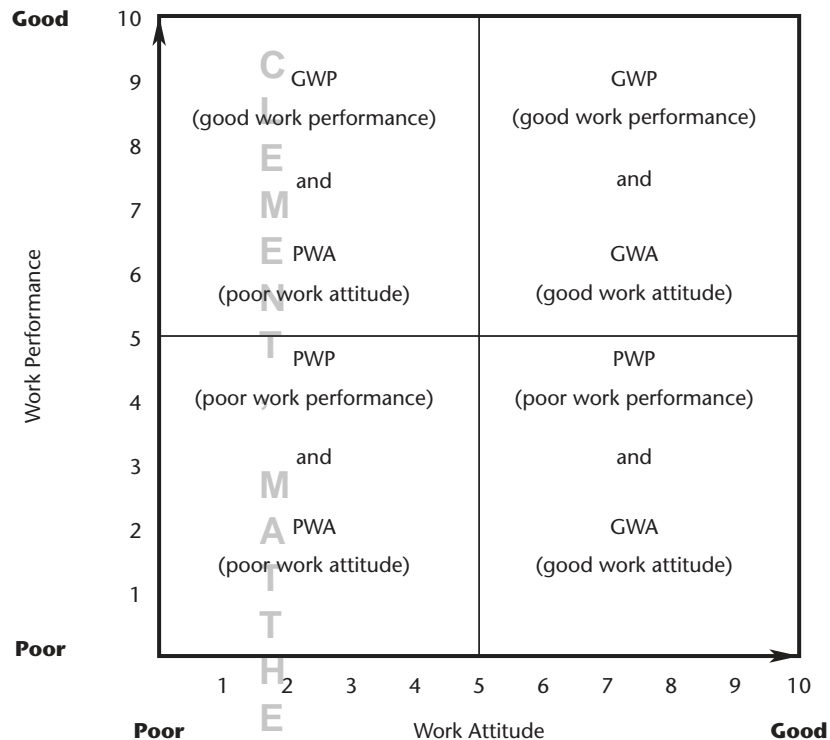
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Performance Management Strategies

Strategies for managing employee performance are presented in Figure 18–1. The effective leader takes action to be sure every employee performs good work and has a positive attitude. Good performance and attitude are rewarded; poor performance and attitude are addressed and corrected. In high-, middle-, and low-performer conversations, the goal is to move performance to the next level. The leader must:

1. Recognize and retain high performers.
2. Reinforce and develop the skills and attitudes of middle performers.
3. Confront and correct or dismiss low performers.¹⁷

Figure 18–1
Performance Management
Strategies¹⁸



Using a scale of 1 to 10 (1 is low; 10 is high), evaluate each person reporting to you based on work performance and work attitude. Take action to be sure every employee performs good work and has a positive attitude. Use the following guide:

Assessment	Management Action
Poor work performance + poor work attitude (PWP + PWA)	= Dismiss before completion of probation.
Good work performance + poor work attitude (GWP + PWA)	= Coach to improve work attitude.
Poor work performance + good work attitude (PWP + GWA)	= Train to improve work performance.
Good work performance + good work attitude (GWP + GWA)	= Reward to show appreciation and reinforce morale and performance.

Followership—Would You Hire You?

Good leaders and good followers have many qualities in common.¹⁹ Exercise 18–4 looks at 15 qualities employers like to see in their personnel. They are important in all fields of work and all levels of responsibility. On the day your son or daughter goes to work for the first time, you will probably give a lecture—*This Is What the Employer Wants*.

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Exercise 18–4 Putting Your Best Foot Forward

Evaluate your current job performance by circling the appropriate number
(1 is low; 10 is high).

1. **Job knowledge.** Success at work begins with job knowledge. Knowledge enables you to work more intelligently and effectively. Make it your business to know what to do, when to do it, and why you are doing it.

1 2 3 4 5 6 7 8 9 10

2. **Dependability.** If your work requires being on time, be on time. You should be 10 minutes early for the workday if at all possible. Tardiness lowers your image (this includes lunch and work breaks). Also, if you say you will do something, do it. Be known as a person who can be counted on.

1 2 3 4 5 6 7 8 9 10

3. **Cooperation.** Organizational citizenship involves various forms of cooperation and helpfulness. Take interest in other people, and strive to be helpful. Everyone appreciates someone who is willing to lend a hand. Show others you are interested in doing a good job for them. Learn to understand and get along with all types of people.

1 2 3 4 5 6 7 8 9 10

4. **Concentration.** There are three kinds of people: those who make things happen, those who watch things happen, and those who have no idea what happened. You don't want to be the third kind. Always pay attention to what is going on; that is how you learn. You should try to learn something new every day. People are more interested in those who show initiative and concentration. Don't sleepwalk through your day; this is how accidents occur and opportunities are missed.

1 2 3 4 5 6 7 8 9 10

5. **Initiative.** If you are not eager to do your job, either you are in the wrong line of work or you have allowed yourself to become lazy. If it is the first, find another job; if it is the second, overcome your laziness. It will pay off. Be a self-starter; don't wait for others to generate a spark in you. It is your life, and you are in control. What you do now will determine your future. Remember—the difference between a rut and a grave is only six feet. Follow this motto: Seize the moment.

1 2 3 4 5 6 7 8 9 10

6. **Communication.** No one likes excuses after the fact, even if they are legitimate. If you can't accomplish a task as assigned, inform those who should know as soon as possible. The more you communicate, the better your relationships will be.

1 2 3 4 5 6 7 8 9 10

7. **Flexibility.** Don't be overly rigid. Most jobs require flexibility to get the best results. Be open to changing your approach, your schedule, and even your goals if it will help increase job performance.

1 2 3 4 5 6 7 8 9 10

8. **Dedication.** Hard work is the best investment a person can make. You have to be dedicated to your job if you are to succeed. Don't automatically take the attitude that you are being exploited by others. A job is usually a two-way street. You are helping your employer, but you are also acquiring knowledge and experience that will benefit you; also, you are being paid. Most business owners and managers work nearly 10 hours a day trying to keep their operations going, and this creates jobs. Employee dedication is needed as well, and it is usually greatly appreciated.

1 2 3 4 5 6 7 8 9 10

9. **Conflict resolution.** Avoid arguments on the job. If you do become part of a conflict, try to solve the problem in private, as soon as possible, and without hurting anyone. Remember, seeing things from the other person's point of view helps resolve unnecessary conflict.

1 2 3 4 5 6 7 8 9 10

10. **Patience.** At times, you may feel dissatisfied with your job. If so, wait a reasonable period before deciding whether to change jobs. In the meantime, talking to the people with whom you work may help you feel like part of the group and may help you enjoy what you are doing.

1 2 3 4 5 6 7 8 9 10

11. **Personal appearance.** Impressions are important, so dress appropriately for work. Maintain excellent personal hygiene, and keep your clothes presentable.

1 2 3 4 5 6 7 8 9 10

12. **Conscientious use of time.** Avoid taking more break time than you truly need (including paid personal time). Would you like paying someone who is not working? Put yourself in the employer's position, and evaluate yourself. Are you giving a full day's work for a full day's pay?

1 2 3 4 5 6 7 8 9 10

13. **Gumption.** Follow Abraham Lincoln's prescription: Leave nothing for tomorrow that can be done today. Always look for something to do. It costs money and time for one person to keep another person busy. If you cannot find something, ask. Never just sit or stand around. Remember, the difference between ordinary and extraordinary is the word *extra*.

1 2 3 4 5 6 7 8 9 10

14. **Excellence.** Study or practice your work so that you are truly good at it. This will boost your ego and make you more valuable to your employer, which will usually be reflected in your wages. Do not become complacent with current success. Remember, a professional in any field knows what it takes to perform well, but always strives to improve.

1 2 3 4 5 6 7 8 9 10

15. **Trustworthiness.** Be honest in all your dealings. Word travels quickly, and a poor reputation can be acquired faster than a good one. Always tell the truth as you believe it to be.

1 2 3 4 5 6 7 8 9 10

Scoring and Interpretation:

Add your scores from the 15 qualities, and record the total here: _____. Then read the evaluation and discussion that follow.

Score	Evaluation	Discussion
135–150	Outstanding	Extremely high performers receive these scores. These individuals produce top results.
105–134	Very good	Good performers receive these scores. They are solid producers in their organizations.
75–104	Ordinary	People who receive these scores are “doing their jobs”—no more and no less.
15–74	Below standard	These scores reflect problems with ability, experience, motivation, or attitude. Counseling and training should be sought.



CHAPTER 19

Professional Performance and Sustaining Discipline

Performance, as the following story shows, is important in all fields of work:

A mother was having a hard time getting her son to go to school one morning. “Nobody likes me at school,” said the son. “The teachers don’t and the kids don’t. The superintendent wants to transfer me, the bus drivers hate me, the school board wants me to drop out, and the custodians have it in for me.” “You’ve got to go,” insisted the mother. “You’re healthy. You have a lot to learn. You’ve got something to offer others. You’re a leader. Besides, you’re forty-nine years old, you’re the principal, and you’ve got to go to school.”²⁰

The questionnaire in Exercise 19–1 evaluates job performance in three important areas—**statesmanship**, **entrepreneurship**, and **innovation**. Complete the questionnaire alone or with another person, such as a co-worker or supervisor. Points to remember are the following:

- Factors measured by the questionnaire are important for success in every field of work, from steel fabrication to public service. Every industry and profession requires statesmanship, the ability to work with and through other people; entrepreneurship, the ability to achieve results; and innovation, the ability to generate new and usable ideas.
- The questionnaire measures job behavior, not personal qualities. To increase objectivity, evaluation is based on actual rather than potential performance.
- Results on the questionnaire are based on a normative group. Scores show how you compare with individuals considered to be top producers and those considered to be poor producers in U.S. business and industry.
- How high or low you score is less important than what you do about your results. It is important to know where you stand to capitalize on strengths and improve weaknesses.

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Exercise 19-1 The Performance Pyramid²¹

Read the following sets of statements. For each set, place a checkmark next to the statement that is most like your behavior on the job at this time. Although it may be difficult to select one statement over the others, you must choose one statement in each set.

1. ☐ a. You are interested in what will work, not what might work.
☐ b. You are willing to listen to anyone's ideas.
☐ c. You seek out the ideas and opinions of others.
☐ d. You are tolerant of those whose ideas differ from yours.
2. ☐ a. You rarely get worked up about things.
☐ b. You measure up to what is expected of you in output.
☐ c. You are one of the top producers of results.
☐ d. You are busy with so many things that your output is affected.
3. ☐ a. You avoid changing existing methods and procedures.
☐ b. You continually search for better ways to do things.
☐ c. Sometimes you think of things that could be improved.
☐ d. You often make suggestions to improve things.
4. ☐ a. You go out of your way to help others.
☐ b. You rarely spend time on other people's problems.
☐ c. Other people often come to you for help.
☐ d. You lend a hand if others request your assistance.
5. ☐ a. You have selected assignments that have had a good future.
☐ b. Most jobs you have worked on have resulted in significant contributions.
☐ c. You would be much further ahead if you had not been assigned so many things that turned out to be unimportant.
☐ d. Some of your time has been wasted on things that you never should have undertaken.
6. ☐ a. You have changed the whole approach to your work.
☐ b. You have initiated many changes in the work you are doing.
☐ c. From time to time, you have made a change in the way you do your work.
☐ d. You go along with established ways of working, without upsetting things.
7. ☐ a. You seek consensus in settling disagreements.
☐ b. You do not concern yourself with the affairs of others.
☐ c. You will yield a point rather than displease someone.
☐ d. Once your mind is made up, you prefer not to change it.
8. ☐ a. You follow the motto "better safe than sorry."
☐ b. You avoid taking risks except under rare circumstances.
☐ c. You will gamble on good odds any time.
☐ d. You sometimes take risks when the odds are favorable.
9. ☐ a. You are well known for your creativity.
☐ b. You often think of new ways of doing things.
☐ c. You are conservative and rarely experiment with new ideas.
☐ d. From time to time, you introduce new ideas.
10. ☐ a. You sometimes trust the wrong people.
☐ b. Your judgment about people is usually correct.
☐ c. You have as little to do with others as possible.
☐ d. Your ability to work with people is outstanding.

11. ____ a. You prefer doing work yourself rather than planning work for others.
 ____ b. You plan work and hold performance to schedule.
 ____ c. You make plans, but adjust to day-to-day changes.
 ____ d. You rarely make plans.
12. ____ a. Your ideas are almost always used.
 ____ b. You frequently say to yourself, I wish I had thought of that.
 ____ c. Your ideas are sometimes put into practice.
 ____ d. Your ideas are often adopted.
13. ____ a. You consider alternatives before making decisions.
 ____ b. You wait as long as possible before making decisions.
 ____ c. You make decisions before weighing the consequences.
 ____ d. You involve others in decisions that affect them.
14. ____ a. You rarely push to have your plans adopted.
 ____ b. Inevitable roadblocks prevent you from accomplishing your goals.
 ____ c. You are known for getting difficult jobs done.
 ____ d. If you want something done, you find a way to get it done.
15. ____ a. You believe change should be gradual, if it should occur at all.
 ____ b. You are open to change and new methods.
 ____ c. You prefer traditional and established ways.
 ____ d. You are innovative in your ideas and approach to work.

Scoring:

Follow the steps below to complete the scoring matrix and the Performance Pyramid.

Step 1:

In the Self-Evaluation columns of the scoring matrix, circle the number that corresponds to the lettered statement you checked in each set of statements in the questionnaire. For example, if you checked statement c. for item 1, you would circle 7 in the Self-Evaluation column.

Step 2:

If another person evaluated you, circle the appropriate numbers in the Partner's Evaluation columns. For example, if your partner checked statement b. for item 1, you would circle 5 in the Partner's Evaluation column.

Step 3:

Add the circled numbers in each column of the scoring matrix to find your total scores on statesmanship (A), entrepreneurship (B), and innovation (C). Record the totals in the appropriate spaces at the bottom of the columns.

Step 4:

Plot your results on the Performance Pyramid in Figure 19–1. (See the sample in Figure 19–2.) If there is a difference between your self-evaluation and your partner's evaluation, use either an average of the two scores or your self-evaluation scores. In general, you know your own performance best. Nevertheless, you should discuss points of agreement and disagreement with your partner; you may be doing an exceptional job and not communicating this to your partner.

Scoring Matrix

Statesmanship			Entrepreneurship			Innovation		
	Self-Evaluation	Partner's Evaluation		Self-Evaluation	Partner's Evaluation		Self-Evaluation	Partner's Evaluation
1. a.	1	1	2. a.	1	1	3. a.	1	1
b.	5	5	b.	5	5	b.	7	7
c.	7	7	c.	7	7	c.	3	3
d.	3	3	d.	3	3	d.	5	5
4. a.	7	7	5. a.	5	5	6. a.	7	7
b.	1	1	b.	7	7	b.	5	5
c.	5	5	c.	1	1	c.	3	3
d.	3	3	d.	3	3	d.	1	1
7. a.	7	7	8. a.	1	1	9. a.	7	7
b.	1	1	b.	3	3	b.	5	5
c.	3	3	c.	7	7	c.	1	1
d.	5	5	d.	5	5	d.	3	3
10. a.	3	3	11. a.	3	3	12. a.	7	7
b.	5	5	b.	7	7	b.	1	1
c.	1	1	c.	5	5	c.	3	3
d.	7	7	d.	1	1	d.	5	5
13. a.	5	5	14. a.	3	3	15. a.	3	3
b.	1	1	b.	1	1	b.	5	5
c.	3	3	c.	5	5	c.	1	1
d.	7	7	d.	7	7	d.	7	7
A _____		A _____	B _____		B _____	C _____		C _____

Figure 19-1
Your Performance Pyramid

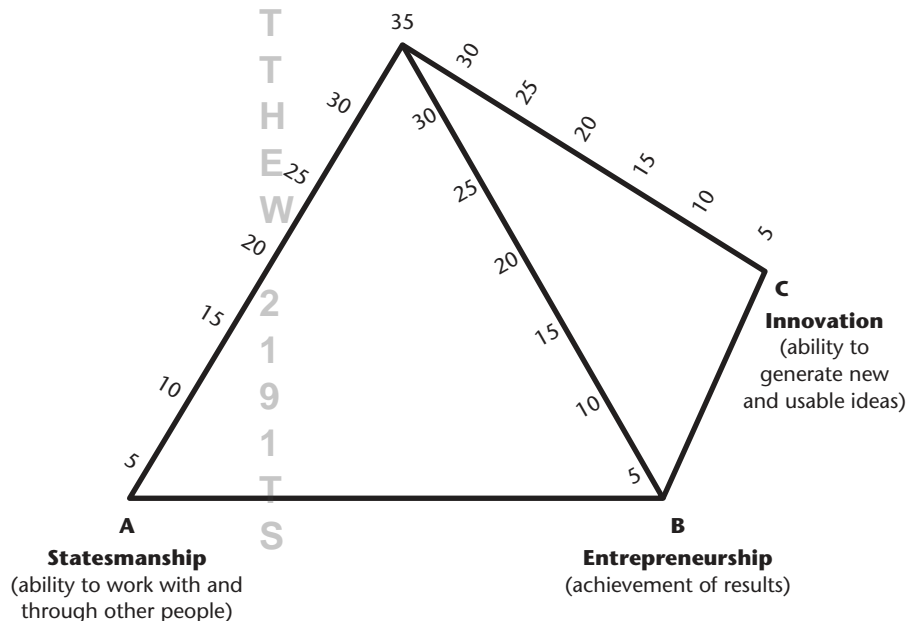
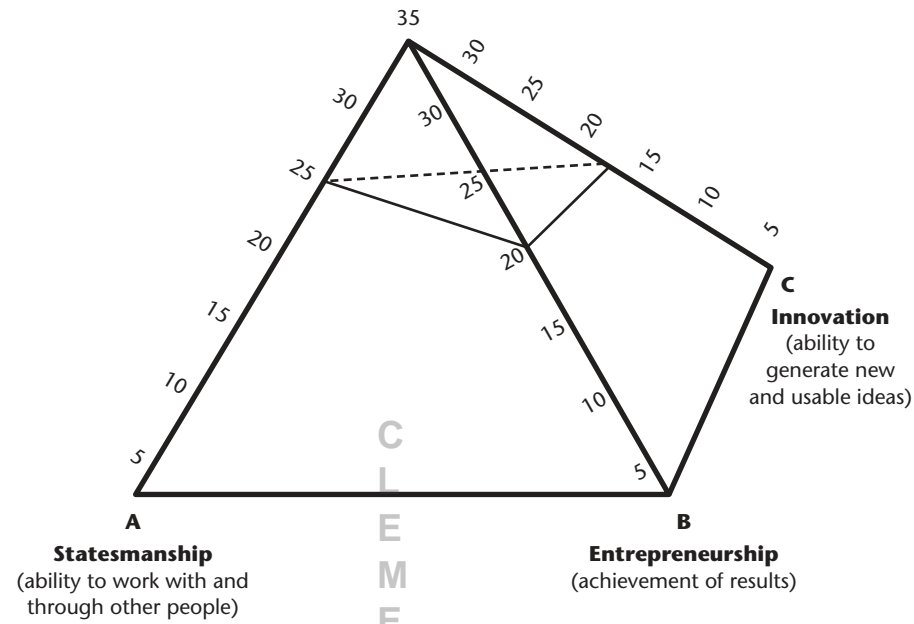


Figure 19–2
Sample Performance
Pyramid



Interpretation:

High scores represent strengths in job performance; low scores represent areas you should strive to improve. Use the following information to evaluate your scores:

Score	Evaluation
30–35	Extremely high performers receive these scores. As a result of ability, experience, motivation, and attitude, these individuals produce top results. If such a person were to leave, it is likely that the organization would suffer significantly.
20–29	Good performers receive these scores. They are pivotal people in their organizations and are solid producers. In college, these scores represent very good work.
15–19	People who receive these scores are doing their jobs. They are doing what is expected of individuals in their positions—no more and no less. Although these scores are acceptable, they are not extraordinary.
14 and below	People whose performance needs improvement receive these scores. Such scores reflect problems in ability, experience, motivation, or attitude. Counseling and training should be considered.

Improving Performance

What can you do to maintain high performance or to improve in the areas of statesmanship, entrepreneurship, and innovation?

- First, you have to want to perform at your best.
- Second, you have to know the essential behaviors that represent statesmanship, entrepreneurship, and innovation.
- Third, you have to apply principles and practices to perform those behaviors.

The following is a discussion of each performance area, including behaviors that reflect high performance, as well as principles and techniques that can be used to improve.

Statesmanship

Statesmanship is the ability to work with and through other people. A statesman is skillful in human relations and is able to multiply personal accomplishments through the efforts of others. The following describes the role of the statesman:

A statesman is not a dictator, but rather a developer of effective relationships. The statesman is one who guides rather than leads, helping others to make decisions rather than making decisions alone. The statesman believes that if everyone works together, more can be accomplished.²²

Throughout his life, Abraham Lincoln was willing to teach others what he had learned himself. From childhood onward, he was the statesman—storyteller, speech maker, and always the ringleader. As one boyhood comrade relates:

When he [Lincoln] appeared, the boys would gather and cluster around him to hear him talk. . . . He argued much from analogy and explained things hard for us to understand by stories, maxims, tales, and figures. He would almost always paint his lesson or idea by some story that was plain and near to us, so that we might instantly see the force and bearing of what he said.²³

Lincoln employed stories and humor in dealing with people. He believed people could be influenced through humorous illustration better than any other way, and would avoid long, useless, and contentious discussion by telling a short, humorous story to make his point.

Examine the following behaviors that represent a high level of statesmanship:

- You seek out the ideas and opinions of others.
- You go out of your way to help others.
- You seek consensus in settling disagreements.
- Your ability to work with people is outstanding.
- You involve others in decisions that affect them.

If you would like to increase your ability to work with and through others, develop good **human relations skills** and use the **four-step method** listed below to solve problems.

Develop Good Human Relations Skills

The following principles will help you accomplish this goal:

1. *Let people know where they stand.* You should communicate expectations and then keep people informed on how they are doing. If criticism is necessary, do it in private; if praise is in order, give it in public.
2. *Give credit where due.* Look for extra or unusual performance, and show appreciation as soon as possible. As a rule, greatest credit should be given to those who try the hardest, sacrifice the most, and perform the hardest work. Psychologist Gordon Allport writes: “Not only does human learning proceed best when the incentive of praise and recognition is used, but the individual’s capacity for learning actually expands under this condition.”²⁴

Use the Four-Step Method to Solve Problems

3. *Tell people as soon as possible about changes that will affect them.* Keep people informed, and tell them why change is necessary. Many people dislike change, and they especially dislike sudden changes.

4. *Make the best use of each person's ability.* Let each person shine as only that person can. Take the time to look for potential not now being used. Also, never stand in a person's way. To do so creates resentment, reduces morale, and ultimately results in reduced performance.

Peter Drucker is famous for his advice to leaders: "The problem you deny or will not address is the one that will do you in."²⁵ Statesmanship requires addressing problems and solving them effectively. Abraham Lincoln employed a four-step sequence in solving problems. He began by understanding all the facts, often by going to the field to get the facts personally. Then he weighed possible solutions and the consequences of each, encouraging suggestions from a wide array of people and perspectives. Then he took decisive action consistent with his values and policy objectives. Finally, he followed up to see if his decision advanced his two abiding goals: (1) Preserving the Union; and (2) abolishing slavery.

The following four-step method can be used for solving any problem:²⁶

1. *Get the facts.* As Mark Twain advised: "Get the facts first; then you can distort them as much as you please."²⁷ You simply cannot solve a problem without first knowing the facts, so (a) review all records; (b) talk with the people concerned; (c) consider opinions and feelings; and (d) look at all sides. Abraham Lincoln tried to understand the views of both the North and the South when he said:

I have no prejudice against the Southern people. They are just what we would be in their situation. If slavery did not now exist among them, they would not introduce it. If it did now exist among us, we would not instantly give it up. This I believe of the masses of North and South.²⁸

2. *Weigh and decide.* After getting all the facts, you must weigh each fact against the others, fit the pieces together, and consider alternatives. Consider the effects that different courses of action will have on individuals and groups. Sometimes it is a good idea to sleep on a problem so that you do not jump to conclusions or overreact.

3. *Take action.* After you have gathered the facts and determined a course of action, carry out your plan. Harry Truman realized the importance of this step when he said, "The buck stops here" and "If you can't stand the heat, get out of the kitchen." Many people occupy positions requiring statesmanship but are indecisive and fail to act. Consider what William James wrote: "There is no more miserable human being than one in whom nothing is habitual but indecision."²⁹

How can the leader prevent perfect from becoming the enemy of good? The U.S. Marine Corps provides a helpful formula—the 70 percent solution. If an officer has 70 percent of the information and has performed 70 percent of the analysis and feels 70 percent confident, he or she is instructed to *take action*.³⁰

4. *Follow up.* Statesmanship requires asking, Did my action(s) help the quality of work or the quality of work life? If not, admit this fact and try to find a better solution. By taking time to follow up on actions and being willing to admit mistakes, the statesman achieves three important goals: (a) the respect of all who are watching; (b) another chance to solve the problem; and (c) the opportunity to set an example of honesty and thoroughness in problem solving.

Herb Kelleher, former CEO of Southwest Airlines, states:

One thing I knew was to admit mistakes. If I discovered a decision I made was a mistake, I would just stop it. You have to look at things the way a scientist would: this experiment didn't work out; it's over. You can't get emotional about it. That's the key so far as I'm concerned: there's no ego involved. You can't keep something on life support for years and years because you've let your self-esteem get tied up in things.³¹

Entrepreneurship

Entrepreneurship is the ability to achieve results, regardless of obstacles. It takes entrepreneurship to build a plant on time, to produce a quality product, and to close a sale. An entrepreneur is action-oriented, but knows that it is not just action, but achievement, that counts. Consider the story of entrepreneur Henry Ford, who founded and built the Ford Motor Company. Ford believed in honesty and hard work and lived by the principle—Did you ever see dishonest calluses on a man's hands?³²

Profile of an Entrepreneur

How It Began

The young inventor was gone a long time and came back pushing the contraption. A nut had come loose with all the shaking. But he was exultant; in spite of bumpy cobblestones and muddy ruts, he had gone where he wished to go. "You're wet clear through," said his wife, as he let her lead him into the kitchen, take off his wet things, hang them up, and give him hot coffee. He was talking excitedly all the time. "I've got a horseless carriage that runs," said Henry Ford.

The Early Years

He examined materials, read contracts, discussed selling campaigns, and prepared advertisements shrewdly addressed to the mind of the average American, which he knew perfectly because he had been one for 40 years. It was his doctrine that any man who wanted to succeed in business should never let it out of his mind; and he had practiced this half a lifetime before he began to preach it.

In the first year the sales of the Ford Motor Company brought Ford a million and a half dollars, nearly one-fourth of which was profit. From then on, all his life, Henry Ford had all the money he needed to carry out his ideas. He took care of his money and used it for that purpose.

Mission Accomplished

Henry had a seemingly inexhaustible market for his cars. He was employing more than 200,000 men, paying wages of a quarter of a billion dollars a year. He had developed 53 different industries, beginning alphabetically with aeroplanes and ending with wood-distillation. He bought a broken-down railroad and made it pay; he bought coal mines and trebled their production. He perfected new processes—the very smoke that had once poured from his chimneys was now made into automobile parts.³³

The following behaviors represent a high level of entrepreneurship:

- You are one of the top producers of results.
- Most jobs you have worked on have resulted in significant contributions.
- You will gamble on good odds anytime.
- You plan work and hold performance to schedule.
- If you want something done, you find a way to get it done.

Entrepreneurship in any field requires **good work habits, a belief in oneself, and the willingness to take risks**. The following action plan will help you maximize your entrepreneurial behavior.

Exercise Good Work Habits

The achievement of results requires the ability to stick with a job until it is done. As a Polish proverb says, “If there is not enough wind, row.” The following poem by Edgar Guest shows the kind of attitude that is necessary to accomplish difficult tasks:

Some said it couldn’t be done.
But he, with a chuckle, replied
That maybe it couldn’t, but he would be one
Who wouldn’t say so until he tried.

So he buckled right in with a bit of a grin,
If he worried, he hid it.
He started to sing, as he tackled the thing
That couldn’t be done—and he did it.³⁴

The high performer goes the extra mile, living by the maxim that triumph is the “umph” added to “try.” If you exercise good work habits, you will be rewarded both financially and personally as word gets out that you are a valuable asset.

Believe in Yourself

Eleanor Roosevelt once said, “No one can make you feel inferior without your consent.”³⁵ The chronology of Abraham Lincoln’s career shows the importance of belief in yourself and determined effort:

- In 1831, he failed in business.
- In 1832, he was defeated for the legislature.
- In 1833, he again failed in business.
- In 1836, he had a nervous breakdown.
- In 1843, he was defeated for Congress.
- In 1855, he was defeated for the Senate.
- In 1856, he lost the race for the vice presidency.
- In 1858, he was defeated for the Senate.
- In 1860, he was elected president of the United States.

Lincoln developed the ability to learn from failure. His extraordinary perseverance propelled him to the presidency in 1860. As president, his determination was channeled to abolish slavery and preserve the United States of America.

Be Willing to Take Risks

Fear of failure can paralyze a person to the extent that opportunities are missed and achievement is reduced. As the following poem illustrates, courage is necessary to overcome self-doubt:

The Doubter

Edgar Guest

He had his doubts when he began;
The task had stopped another man;
And he had heard it whispered low,
How rough the road was he must go;
But now on him the charge was laid,
And of himself he was afraid.

He wished he knew how it would end;
He longed to see around the bend;
He had his doubts that he had strength,
Enough to go so far a length;
And all the time the notion grew,
That this was more than he could do.

Of course, he failed. Whoever lives with doubt,
 Soon finds his courage giving out;
 They only win who face a task,
 And say the chance is all I ask;
 They only rise who dare the grade,
 And of themselves are not afraid.

There are no ogres up the slope;
 It is only with human beings that man must cope;
 Whoever fears the blow before it's struck,
 Loses the fight for lack of pluck;
 And only he the goal achieves,
 Who truly in himself believes.³⁶

In the final analysis, one must *execute* to succeed. As Henry Ford makes clear, you can't build a reputation on what you are going to do.

Innovation

Innovation is the ability to generate new and usable ideas. The innovator is not satisfied with the status quo, and therefore explores, questions, and studies new ways of doing things. Innovation accounts for advances in all fields of work, from agriculture to architecture. Important products we take for granted today are the result of yesterday's inventions—Thomas Edison's electric light, the Wright brothers' airplane, and Alexander Graham Bell's telephone are but a few examples. In the field of agriculture, George Washington Carver created more than 300 synthetic products from the peanut, more than 100 from the sweet potato, and more than 75 from the pecan. In addition to new products, innovation includes improving how work is done and creating new markets.³⁷

The following behaviors represent a high level of creativity:

- you continually search for better ways to do things;
- you have changed the whole approach to your work.
- you are well known for your creativity.
- your ideas are almost always used.
- you are innovative in your ideas and approach to work.

How do you develop creativity and increase innovation? **Keep an open mind, have a questioning attitude, and use a new-ideas system.**

Keep an Open Mind

An essential quality of the innovator is openness to new experience. Charles F. Kettering, the famous inventor, emphasized the importance of keeping an open mind when he wrote:

The experienced man is always saying why something can't be done. The fellow who has not had any experience doesn't know a thing can't be done—and goes ahead and does it . . . There exist limitless opportunities in any industry. Where there is an open mind, there will always be a frontier.³⁸

Consider the story about two young men sent to Africa by their companies to study the market for shoes. The first wired back, "Forget the thought, no one here wears shoes." The second one wired, "Build the plant, buy the leather, start production. The market is fantastic. Everyone here needs shoes!"

The innovator keeps an open mind and avoids "monkey trap thinking." One way to catch a monkey is to use the rigidity of its own thinking. Put an enticing food in a box with a hole just big enough for the monkey to squeeze its hand through the opening. When the monkey grabs the food and makes a fist, it is unable to withdraw its hand. Refusing to let go of the food, the monkey is trapped. People with closed minds and rigid beliefs are similarly unable to explore the possibility of new solutions.

***Have a Questioning
Attitude***

Many people sleepwalk through their days, never stopping to ask themselves: Am I doing the right thing? Is there a better way to do it? For these individuals, creativity is reduced because new ideas are not considered. The following poem shows the importance of having a questioning attitude:

The Calf Path—The Beaten Path of Beaten Men

Samuel Foss

One day through an old-time wood,
A calf walked home, as good calves should;
But made a trail,
A crooked trail, as all calves do.
Since then three hundred years have fled,
And I infer the calf is dead.
But still, he left behind his trail,
And thereby hangs my mortal tale.

The trail was taken up the next day,
By a lone dog that passed that way.
And then a wise sheep,
Pursued the trail, over the steep,
And drew the flocks behind him too,
As all good sheep do.
And from that day, over hill and glade,
Through those old woods, a path was made.

This forest path became a lane,
That bent, and turned, and turned again.
This crooked lane became a road,
Where many a poor horse with his load,
Toiled on beneath the burning sun.
And thus a century and a half,
They followed the footsteps of that calf.

The years passed on in swiftness fleet,
And the road became a village street.
And this became a city's thoroughfare.
And soon the central street was a metropolis.
And men, two centuries and a half,
Followed the footsteps of that calf.

A moral lesson this tale might teach,
Were I ordained, and called to preach.
For men are prone to go it blind,
Along the calf paths of the mind;
And work away from sun to sun,
To do just what other men have done.
They follow in the beaten track,
And out, and in, and forth, and back;
And still their devious course pursue,
To keep the paths that others do.

They keep these paths as sacred grooves,
Along which all their lives they move.
But how the wise old wood gods laugh,
Who saw the first old-time calf.
Ah, many things this tale might teach,
But I am not ordained to preach.³⁹

Many problems go unsolved because people fail to keep their minds open, have a questioning attitude, and achieve insight. Consider the following:

The Candy Store Girls

Four salesgirls in a candy store were paid on commission. One girl always had a long line of customers, while the others had few. The busy girl was asked, “What is the secret of your success?” Her answer was insightful. She had noticed that the other girls always scooped up more than a pound of candy and then took the extra candy away. Her approach was to scoop up less than a pound and then add to it.

The Maintenance Crew

A supervisor of a maintenance crew had two employees who had fought and did not want to make up. The supervisor solved the problem by having each of the workers wash the same window—one on the inside, one on the outside. With nothing to do but look at each other, it didn’t take long for both to laugh, and harmony was restored. The supervisor used insight.

The Low Bridge Problem

A large truck had become solidly wedged under a low bridge. Experts on the construction of bridges were consulted about ways to dislodge it, and they offered various suggestions. Because these people were involved daily with bridges, they approached the problem in a conventional way: raise the bridge to release the truck. But a young newsboy, who had not yet been trapped into habitual patterns of thought, had a much better idea. He suggested that the truck be lowered, which was easily accomplished by letting air out of the tires. The newsboy used insight to solve the problem.

In evaluating your own approach to work, do you keep an open mind, have a questioning attitude, and use insight?

Use a New-Ideas System

Being open to change and having a questioning attitude are two ingredients of creativity; but a third element is necessary—a system is needed to generate new and usable ideas. One good system comes from the English writer Rudyard Kipling. Kipling, who was known for his creativity, was asked how he could come up with so many good ideas. His famous answer was:

I keep six honest serving-men;
They taught me all I knew;
Their names are What and Where and When,
And How and Why and Who.
I send them over land and sea;
I send them east and west;
But after they have worked for me,
I give them all a rest.
I let them rest from nine till five,
For I am busy then,
As well as breakfast, lunch, and tea,
For they are hungry men.
But different folk have different views:
I know a person small—
She keeps ten million serving-men,
Who get no rest at all.
She sends ’em abroad on her own affairs,
From the second she opens her eyes—
One million Hows, two million Wheres,
And seven million Whys.⁴⁰

Rudyard Kipling and Queen Victoria thought by asking six simple questions—who, what, why, when, where, and how—and by constructively answering these, you can usually find new and workable solutions to any problem.

Portrait of an Innovator

Benjamin Franklin is perhaps the most remarkable figure in American history: the greatest statesman of his age and the most prominent celebrity of the 18th century. He was also a pioneering scientist. Franklin never stopped considering things he could not explain.

Franklin's study of the world's wonders extended to electricity. He began those experiments when he was 40. Ten years later, they made him famous throughout the world. The image of Franklin flying a kite in a thunderstorm is as familiar as the one of George Washington crossing the Delaware.⁴¹

You Can Improve if You Want To

It is possible to improve performance, and the rewards can be great. Consider the following story:

When Gene Malusko first went to work for his company, he was hired as a laborer. Before long, it was apparent that he would become either a union steward or a work group supervisor. Gene had the ability to work with and through other people. Gene could talk people into things; he was a statesman. Gene chose supervision because he had a family to raise and needed the money. For the next year, he was a successful foreman—he had good relations with his subordinates, and he had a good production record.

Then Gene became interested in advancement. As he considered those who had been promoted in the past, he realized that they had each excelled at obtaining results. The quality and efficiency of their production had stood out over that of the other supervisors. This convinced him to set forth on a self-improvement program to improve entrepreneurship, the delivery of results.

Thereafter, when Gene arrived at work, he began working immediately, and he worked diligently until the job was done. He developed a reputation for making his production quota each day, and he could be counted on to help out in emergencies. Gene was also willing to stick his neck out and take risks when the situation warranted it. He overcame self-doubt with the attitude “nothing ventured, nothing gained.” With confidence in himself and good work habits, Gene developed a superb record of achievement. Gene exhibited entrepreneurship, and within two years, he was promoted to general foreman.

Gene performed well as a general foreman on the strength of his ability to work with people (statesmanship) and his ability to obtain results (entrepreneurship). After a mere three years in this capacity, he was selected as the youngest superintendent in the history of the company.

Two years later, Gene was talking with a friend about future plans when he stated that his goal was to be a general manager. He wondered aloud, “What do those people have that I don’t?” The answer was creativity. A good general manager must work with and through others, which Gene did; must achieve results regardless of obstacles, which Gene did; and must come up with new and usable ideas, which Gene almost never did.

Gene's friend told him about the ideas of Charles Kettering and the importance of keeping an open mind; he gave him "The Calf Path—The Beaten Path of Beaten Men," emphasizing the need to question things; and finally, he told him about Rudyard Kipling's six honest serving-men, a system of constructive questioning.

Until this time, Gene had rarely questioned whether there was a better way to do something and he had never been given a system for generating new ideas. For Gene, a new dimension of work performance was unveiled, and he set about to improve his creativity.

Each day, Gene would go into his work area and ask six important questions—who, what, why, when, where, and how—to analyze the production bottlenecks and employee problems he encountered. He would ask: Who should do this work, the machine operator or the material handler? What work should be done, milling or planing? Why should this work be done, production or politics? Where should the work be done, in the office or the field? When should the work be done, on the first shift or the second? And how should the work be done, by person or by machine? And, like Kipling, Gene always found a better way.

Gene worked at constructive questioning until it became a habit, and he gained a reputation as a creative person. He added innovation to the qualities of statesmanship and entrepreneurship that he had already developed, and two years later, Gene Malusko was promoted to general manager.⁴²

Gene's story is one of professionalism. He learned what was required to perform his job well; he performed good work; yet he constantly tried to improve. He was not complacent. As a result of professional development, Gene Malusko improved the performance of his company and achieved personal rewards as well.

Performance Success Story—A Case in Point

Sam Walton, founder of Walmart, was America's richest person, a multibillionaire, when he died, and he was beloved by all who knew him. His prescription for success, as detailed in *Sam Walton: Made in America, My Story*, has three key elements: statesmanship, entrepreneurship, and innovation. Walton wrote that success came only through building a team, only after hard work, and only by breaking old rules.

Statesmanship—share the rewards. "If you treat people as your partners, they will perform beyond your wildest dreams." (In the effort to treat others as partners, Sam's reading of people wasn't always 100 percent. Once he attempted to thank big-city investors by taking them camping on the banks of Sugar Creek. A coyote started howling and a hoot owl hooted. Half the Back-East investors stayed up all night around the campfire because they couldn't sleep.)

Entrepreneurship—commit to your business. "I think I overcame every single one of my personal shortcomings by the sheer passion I brought to my work." (Hard work and risk have a price, as revealed by Sam's youngest child, Alice, when she once confided to a friend, "I don't know what we are going to do. My daddy owes so much money, and he won't quit opening stores.")

Innovation—be creative. "If everybody else is doing it one way, there's a good chance you can find your niche by going in a new direction. I guess in all of my years, what I

heard more than anything else was: a town of less than 50,000 can't support a decent store." (Of course, some say this strategy stemmed from Sam's wife, Helen, who insisted on raising the Walton family in a town with fewer than 10,000 people.)⁴³

The Role of Organizational Culture

Organizational culture is an important factor in professional development and performance. Some organizations are excellent in developing statesmanship, entrepreneurship, and innovation. This is done by modeling and rewarding desired behaviors. For example, 3M has a well-established history of innovation and developing successful new technologies.

The year 2013 marks the 33rd anniversary of the Post-it Note, invented by 3M employee Art Fry when he discovered an experimental adhesive helped him hold bits of paper as bookmarks in his church Sunday Services Hymnbook. Other 3M innovations include masking tape, Scotchguard, and optical films for coating liquid-crystal display screens.⁴⁴ The case of Francis G. Okie shows how innovation is supported in 3M: Okie proposed using sandpaper instead of razor blades for shaving to reduce the risk of knicks. The idea failed, but instead of being punished for the failure, he was encouraged to develop other ideas, which included 3M's first big success: waterproof sandpaper.

A culture that permits failure is crucial for fostering creative thinking and innovation. 3M uses six rules to keep new products coming:

1. *Set innovation goals.* Twenty-five percent of annual sales must come from new products less than five years old.
2. *Commit to research.* 3M invests in research at double the rate of the average U.S. company.
3. *Support new ideas.* \$50,000 Genesis grants are awarded to develop brainstorming into new products.
4. *Facilitate flexibility.* Divisions are kept small to operate with independence and speed.
5. *Satisfy the customer.* 3M's definition of quality is to create a product that meets the customer's needs, not some arbitrary standard.
6. *Tolerate failure.* 3M knows learning and new ideas may come from what seems like failure at the moment.⁴⁵

Five Levels of Performance Excellence

There are many models of performance excellence, none more interesting than the five-level hierarchy proposed by management author James Collins in his book *Good to Great*. Level 1 refers to highly capable individuals. Level 2 refers to contributing team members. Level 3 refers to competent managers. Level 4 refers to effective senior leaders. And Level 5 refers to the exceptional executive. See Figure 19-3.

The Level 5 leader sits on top of a hierarchy of capabilities necessary for transforming an organization from good to great. What lies beneath are four other layers, each one appropriate in its own right, but none with the power of Level 5. Individuals do not need to proceed sequentially through each level of the hierarchy to reach the top, but to be a full-fledged Level 5 leader requires the capabilities of all the lower levels, plus the special characteristics of Level 5.

Exceptional leaders are masters of paradox. They are expert at managing the "and." The combination of **personal humility** "and" **professional will** makes a potent formula for the highest level of leadership success. Humility refers to consideration and service to others, and should not be confused with either submissiveness or introversion. Humility is not thinking less of yourself; it is thinking of yourself less.

Figure 19–3
The Five-Level Hierarchy⁴⁶



Professional will refers to conviction and fierce resolve, and should not be confused with either blind ambition or ruthlessness. The Level 5 leader values achievement of a worthy goal, not winning at any cost. See Table 19–1.

Table 19–1
The Paradox of Level 5 Leadership⁴⁷

Personal Humility	Professional Will
The Leader	The Leader
Demonstrates a compelling modesty, shunning public adulation; is never boastful.	Creates superb results; is a clear catalyst in the transition from good to great.
Acts with deliberation and determination; relies principally on inspired standards to motivate.	Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results, no matter how difficult.
Channels ambition into group success, not the self; sets up successors for even more greatness in the next generation.	Sets the standard of building an enduring and great organization; will settle for nothing less.
Looks in the mirror to assign responsibility for poor results, never blaming other people, external factors, or bad luck.	Looks out the window to assign credit for success to other people, external factors, and good luck.

Procter & Gamble (P&G) CEO Alan G. Lafley is a good example of Level 5 leadership. His unassuming and humble demeanor belies his position. If there were 15 people sitting around a conference table, it wouldn't be obvious that he was the CEO. Yet this did not stop him from transforming P&G where predecessors had failed. Lafley's consistent vision, strategic actions, personal humility, and professional will moved P&G toward a more customer-friendly and innovative company. The result: P&G regained its stellar status for innovation, market share, profitability, stock value, and a great place to work.⁴⁸

Collins concludes that the most effective executives possess a mixture of personal humility "and" professional will. They are both timid "and" ferocious. They are shy "and" fearless. They are rare "and" unstoppable. The triumph of humility "and" fierce resolve in the leader is instrumental in catapulting an organization from merely good to truly great.

Collins's good-to-great research is based on the business performance of private-sector organizations, but the case of Abraham Lincoln can be used to illustrate the Level 5 leader. Modest and willful, shy and determined, Lincoln never let his personal ego get in the way of his ambition to preserve an enduring nation. Described as a quiet, peaceful, and shy figure, Lincoln had a resolve that was unshakeable—to the scale of 258,000 Confederate and 364,511 Union lives, including Lincoln's own.

Organizational Performance

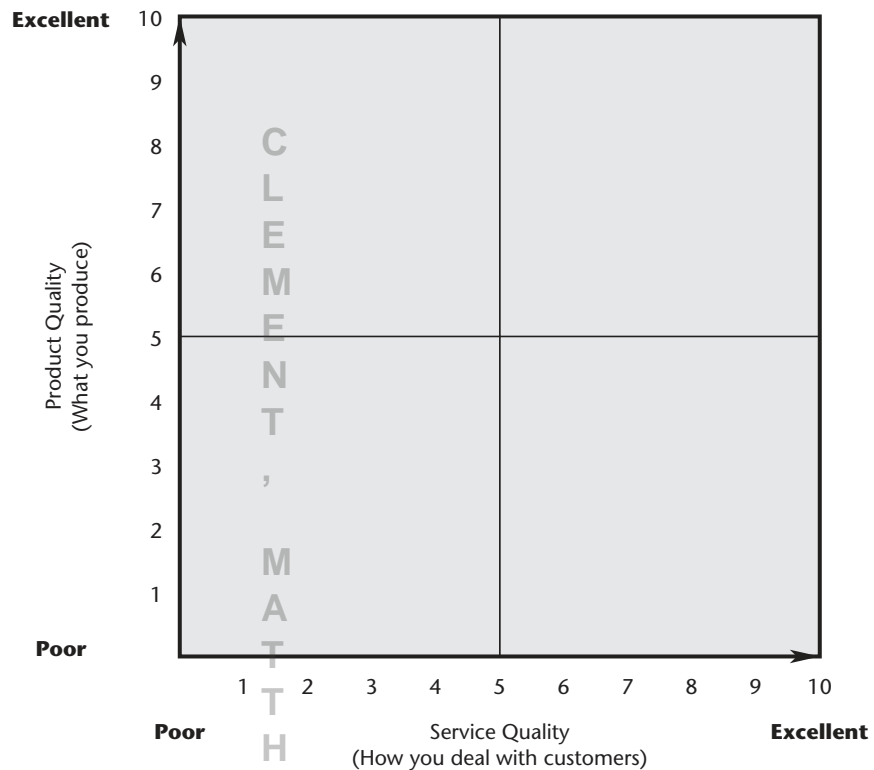
What are the characteristics of organizations led by Level 5 leaders? Five stand out: (1) They have the right people with the right skills in the right jobs—the right people are on the bus and in the right seats; (2) they face facts head-on without sugar-coating difficulties—they confront reality; (3) they focus on their hedgehog—being the best in the world at what they have a passion to do for which they will be paid; (4) they maintain a culture of discipline—based on individual work ethic versus bureaucratic control; and (5) they are technology accelerators—using proven technology to enhance business operations.⁴⁹

The tasks of leadership are to interpret conditions, establish direction, mobilize followers, and develop people—all for the purpose of achieving organizational success. The leader who wants to improve the performance of his or her work group or organization can use benchmarking as a job aid in the leadership process. Southwest Airlines, for instance, studied auto-racing pit crews to learn how to reduce the turn-around time of its aircraft at each scheduled stop. Toyota managers got the idea for just-in-time inventory deliveries by looking at how U.S. supermarkets replenish their shelves.⁵⁰

Benchmarking is a careful search for excellence—taking the absolute best as a standard and trying to surpass that standard. Great leaders are constantly in search of excellence both personally and organizationally. Benchmarking begins with an objective evaluation of the organization against the very best. The goal is to determine what winners are doing, and then take steps to meet or exceed that high standard. To personalize the concept, complete Exercise 19–2.

Exercise 19–2 Benchmarking the Best⁵¹

Plot your organization (company, institution, etc.) on the performance graph below. Where are you today? Then plot your best competitors. Where are they? If your organization is not in the upper right corner, you are at risk. Your current performance is not satisfactory to the people who care about the work you do—customers, employees, owners, governing boards, and the like. What you must do is take action to improve your performance record. An interesting variation is to have others who know and care about your organization provide this evaluation. Note that product quality includes elements such as fit, finish, beauty, reliability, and most important, functionality. Service quality includes timely delivery, response to questions and problems, courteous treatment, and consideration of customers' needs.



An interesting example of performance excellence is Toyota at its best. A philosophy of excellence is described in Toyota's *Basic Management Handbook*: "The only acceptable quality percentage is 100%. Every car must be manufactured exactly according to specifications. No Toyota vehicle should ever leave the factory without passing every quality test perfectly." One can see the positive attitude, high standards, and uncompromising commitment of a business winner in Toyota's mandate to leaders. Toyota believes the success of the company is determined by constant adherence to this high standard of work performance and if the company strays from the standard, dire consequences will result.⁵²

A good example of organizational success based on management commitment to be the best is Walmart. Between 1972 and 2006, Walmart went from \$44 million in sales to \$33 billion, powering past Sears and Kmart with faster growth, higher profits, and lower prices. How did Walmart achieve this record? Through focus, hard work, and innovation. An example is cross-docking, in which goods delivered to a distribution center from suppliers are immediately transferred to trucks bound for stores, without ever being placed in storage. Cross-docking and other innovations have resulted in lower inventory levels and operating costs, which Walmart has used to lower prices for customers.⁵³

In evaluating your organization, what improvements can be made to become (or remain) the best in your industry or market? What innovations should you make in product quality (what you produce) and service quality (how you deal with customers)? Be specific: Who should do what, when, where, how, and why?

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Organizational Success—The Cianbro Story

There are many role models for organizational success. The Cianbro story is one to which everyone can relate.⁵⁴

From Logging in the Woods to Taming the Ocean. Over 65 years ago, the Cianchette brothers—Carl, Bud, Ken, and Chuck—launched a company that was destined to become a legend in the construction industry. They were short on net worth, but long on hard work, as they plunged into the construction business and toiled mightily to succeed. From their first job loading hardwood pulp onto boxcars with their bare hands, they learned the hard lessons of the business world. Today Cianbro is one of the best heavy-construction companies on the Atlantic coast, building bridges, dams, and factories for public and industrial clients from Maine to the Carolinas to Florida. Annual revenues are over \$650 million, with over 4,000 employees working as a team to bring their impressive projects to a timely and profitable completion. The Cianchettes developed a work culture with three characteristics: *a can-do attitude, a teamwork ethic, and caring leadership.*

A Can-Do Attitude: “Job Defies Impossible.” It is not possible to do two years of work in less than a week. Or is it?

Holyoke is a textile town built around several canals. When the city decided to build an interceptor sewer system, part of the work included a contract to lay pipe across nine different areas of the canals. Cianbro was low bidder.

Cianbro’s job would be to drive two walls of steel sheeting (a cofferdam) across each crossing, remove the water, excavate, lay pipe, backfill, and then pull the sheeting.

Yes, the workers would need to do that nine different times. It was a \$1.3 million contract that was expected to take two years.

Then employees on the job learned that every year around the Fourth of July, the canals were drained for a week to allow the Holyoke industries to work on their canal gates. Someone suggested, “Why don’t we do all nine areas at the same time, when the canals are drained during the shutdown week?”

With a can-do attitude, they formed nine teams and equipped each team with everything that would be required to do its crossing. They had all materials on-site. They counted every gasket and every bolt, and they triple-checked to be sure.

On the morning of the draining, they swung into action. They related it to a military operation, and the job was finished as planned—way, way under budget and way, way under deadline: two years of work in less than a week.

Impossible? Not at Cianbro. Someone wrote in the company newsletter: “The difficult can be done immediately, the impossible takes a little longer.”

A Teamwork Ethic: “Good People Enjoy Working with Good People.” Chuck Cianchette explains the company’s hiring policy: “We hire people with a good attitude. We want people who will do whatever is needed to get the job done and who are happy in their work.” Bud Cianchette describes the relationship with the crews: “We work with them. If the work is in a ditch, we work with them in the ditch. We never ask anyone to do anything that we wouldn’t do ourselves.” Ken Cianchette cites a song:

Give me some men who are stout-hearted men
who will fight for the right they adore.
Start me with ten who are stout-hearted men,
and I’ll soon give you ten thousand more.

“That is our basic philosophy. Good people enjoy working with good people, and together they can accomplish anything.”

Caring Leadership: “Passing It On.” The best advice the Cianchette brothers ever received was from their father, Ralph Cianchette, who said, “Be careful what you promise someone you will do. But once you say you will do it, make sure that you do.” This principle has been instilled as gospel into every Cianbro supervisor, manager, and executive for over 65 years.

When the time came for someone other than a Cianchette to take over the leadership of the company, Pete Vigue was chosen to do the job. His co-workers tell why: “He had the most gumption, the most savvy. He will not accept the word ‘no.’ He will always find a way to be successful. He will not be defeated. Plus he makes sure everyone practices the five P’s of success: Prior planning prevents poor performance.”

Pete explains how leadership lessons were passed on to him as he absorbed everything he could from the brothers: “Carl taught integrity as he lived by the code of honesty. Bud always demanded excellence. I learned to set high goals from him. Ken taught me how to think because he always asked the tough questions. Chuck taught me how to work with people; how to give and take—especially to give. All of them taught humility. While they were willing to talk about the positive things in their lives, they were also willing to share the mistakes they made. That has helped us not make the same mistakes twice.”

As Pete looks ahead, he feels the challenge is to perpetuate the organization. The key to this is to pass on the principles of caring leadership embodied by leaders of the past. To this end, new Cianbro leaders undergo leadership training that features not techniques, but the basic principles of dignity, honesty, and respect, and proven practices of keeping your word, setting high goals, thinking creatively, and working as a team. To these, Pete adds, “Take care of the people,” and by this he means safety first. If you have four hours to spare, ask him about it.

Reaching the Summit

How do organizations achieve greatness? There are many good paths. Organization development techniques include: job enrichment, management by objectives, survey feedback, top grading, team building, total quality management, succession planning, gainsharing, reengineering, performance management, action research, appreciative inquiry, balanced scorecard, knowledge management, coaching, Six Sigma, employee engagement, and behavior modification. All of these techniques are effective when they are understood, owned, worked, and supported by every level of the leadership pyramid—top executives, middle managers, and front-line supervisors.⁵⁵

A study of 200 techniques employed by 160 companies over 10 years identified four success factors and management practices that lead to sustained and superior performance regardless of the techniques used.⁵⁶

Factors	Management Practices
Strategy	Establish a direction, focus on customers, and communicate with employees.
Execution	Hire good people, delegate decision-making, and perform quality work.
Culture	Empower people, reward performance, and maintain strong core values.
Structure	Align resources, exchange information, and promote teamwork.

Organizational success is a never-ending challenge. It is a subject leaders must continually address. An excellent resource to help in this task is *Your Summit Awaits*, a video presentation by the Canadian mountain climber, Jamie Clark. Based on three attempts to climb Mt. Everest, five lessons are shared. These lessons apply to every organization or group striving to reach its summit, and they apply to leaders and followers, alike:

1. **Truth**—Care enough to confront; share the brutal truth.
2. **Perspective**—Know the difference between passion and obsession.
3. **Trust**—What matters are the promises we keep, not the promises we make.
4. **Focus**—Managing fear requires focusing on what is important.
5. **Humility**—It is important to appreciate the people who helped get you there.

The Kite and the String

“The kite and the string” is an important concept related to organizational performance. Just as a kite won’t fly without a string and a string won’t fly without a kite, it can be argued that full organizational success requires at least two individuals who are both

competent and committed. Although a leader alone can achieve a degree of success for a period of time, at least two dedicated people working together effectively are needed to achieve and sustain long-term success.

Improving Performance through Behavior Modification

During the early 1900s, Edward L. Thorndike formulated his famous law of effect, which says behavior with a favorable consequence tends to be repeated, while behavior with an unfavorable consequence tends to disappear. This was a dramatic departure from the prevailing notion that behavior was the product of inborn instincts.⁵⁷

Behavior modification, established in the 1950s by B. F. Skinner, is a practical and effective way to apply the law of effect and improve human performance. Behavior modification today is based on the conceptual premises of classical behaviorists John Watson and Ivan Pavlov, reinforcement theorists C. B. Ferster and B. F. Skinner, and applied behaviorists Albert Bandura and Fred Luthans.⁵⁸ The application of behavior modification principles has been shown to have a positive impact on performance in a wide range of sales, service, manufacturing, and not-for-profit organizations in both Western and non-Western cultures. Meta-analysis shows that when desired behaviors are tied to contingent consequences, performance improvement is 17 percent.⁵⁹

The central objective of behavior modification is to change behavior (B) by managing its antecedents (A) and consequences (C). The following example shows how behavior modification—**goal setting, feedback on performance, and positive reinforcement**—can be used to improve employee performance.⁶⁰

Improving Employee Performance in the Transportation Industry

The purpose of a mass transit organization is to provide safe, dependable, efficient, and courteous transportation to the public. The performance of the operator is critical in meeting this mission because this is the person who deals directly with the passenger. To improve driver performance, one organization sponsored a six-hour passenger relations program. Participants learned human relations principles and were asked, “What are the day-to-day actions a driver should perform to provide the best possible service to the public?” Table 19–2 lists the performance objectives developed by the 250 participants.

For a period of three months after attending the training session, each operator completed a self-evaluation based on the list of performance objectives. At the end of each work shift, drivers checked off the behaviors they had performed and left blank those they had not. This paper-and-pencil checklist provided personal feedback on

Table 19–2
Operator Performance
Objectives

A Coach Operator Should

1. Start and stop smoothly.
2. Avoid smoking when carrying passengers.
3. Clean up trash around driver's quarters when leaving the bus.
4. Address adults by name if known and by “Sir” or “Ma’am” if name is not known. Never call a youngster by a nickname—Junior, Sonny, Peanut, Sister, and the like—unless requested.
5. Have exact working tools—transfers, punch, change, ticket refunds, and so on—when starting the job.
6. Greet all passengers in a friendly manner.
7. Try to solve problems that arise in carrying out the job. Do not complain to passengers about other employees.
8. Wave recognition to police officers, firefighters, school guards, and other uniformed public workers.
9. Always use hand and arm signals in traffic; say thank you in this manner whenever possible.
10. Wait for slow arrivers, making sure that all who want rides get them.
11. Never run ahead of schedule.
12. Pull to the curb if possible; avoid puddles.
13. Give clear, friendly, and sensible answers to the public.

performance. At the end of every month for three months, each driver also met privately with the supervisor, who had been a fellow participant in the passenger relations program. The supervisor held these meetings to review performance checklists, discuss job problems, and express appreciation for employee participation in the program. These meetings emphasized the positive and ignored the negative. If a driver had a good performance record, this accomplishment was praised; if a driver had a poor record, he was thanked for keeping the checklist and encouraged to continue trying to implement the agreed-upon performance objectives; if a driver failed to keep records, this fact was ignored and a discussion was held reviewing and reaffirming the importance of the performance objectives.

The following were the results of the employee development program:

- Safety records showed substantial improvement, and there were significant financial savings.
- Passenger complaints decreased, and the organization's public image improved.
- The company set a national record for increased ridership.
- Employee morale and pride increased.
- Relations between managers and employees improved.

Reward systems can be counterproductive if negative behavior is rewarded while positive behavior is ignored or punished. This is called the folly of rewarding A while hoping for B. Examples are: hoping for high performance but rewarding mediocrity; hoping for teamwork but rewarding self-promotion; hoping for innovation but rewarding low risk taking; hoping for candor but rewarding silence; hoping for empowerment but rewarding tight control.⁶¹

How do leaders avoid this problem and capitalize on the positive potential of behavior modification? Three rules should guide:

1. Provide clarity of assignment and require high standards of behavior that support the purpose, values, and goals of the organization.
2. Give positive reinforcement through recognition of effort and reward for good performance.
3. Address or correct poor performance and do not reward negative attitudes or inappropriate behavior.

The Importance of Discipline

George Washington believed: Discipline is the soul of an army. It makes small numbers formidable, procures success to the weak, and esteem to all.⁶² Three elements are important for effective **discipline**: (1) defined roles and responsibilities so that employees know what is expected; (2) clear rules and guidelines so that employees understand what is acceptable behavior; and (3) effective methods and procedures for taking corrective action. Discipline problems include permissiveness, rigidity, and inconsistency.⁶³

Permissiveness results in an untrained, poorly organized, and unproductive workforce. People need to know that they are responsible for their actions. Performance problems that go unaddressed can reduce the morale of good employees and lower the performance of the entire work group.

Rigidity, on the other hand, may cause employees to fear or hate authority and to feel anxious or overly guilty about making mistakes. If people feel that conditions are too restrictive, counterproductive measures such as slowdowns, sabotage, and strikes may result.

Inconsistency should be avoided because it makes it difficult for employees to understand what behavior is appropriate and what is not allowed. When people are punished one time and ignored or even rewarded the next time for doing the same thing, they become confused. Inevitably, this confusion results in resentment, lowered morale, and reduced productivity.

Taking Corrective Action

The two central elements of caring leadership—caring about the work and caring about people—come together in the corrective action process. The effective leader knows that performance and behavior problems must be addressed. Taking corrective action can be unpleasant and unpopular, but it is necessary because people may make mistakes that should not be condoned. Examples include theft, equipment abuse, and safety violations. Use of the following principles will help provide effective discipline and corrective action and ensure a sense of organizational justice.⁶⁴

- *Establish just and reasonable rules based on core values.* Think of civil rules that are just, reasonable, and necessary, such as not driving through a red light or not stealing. Employees need similar guidelines for behavior on the job. If corrective action is necessary, it should take the form of a **caring confrontation** based on core values of the organization.

Work rules should be established in such areas as attendance, safety, security, language, dress, and personal conduct. When possible, employees should be involved in establishing rules based on the core values of the organization—honesty, respect for others, and the like. Committees on safety and quality of work life help serve this purpose.

- *Communicate rules to all employees.* Rules should be thoroughly explained to new employees during orientation and should also be published in an employee handbook or posted on a bulletin board. As few rules as possible should be made, and these should be reviewed annually. Changes in rules should be communicated in writing, since people can be held responsible only for rules they know about.

- *Provide immediate corrective action.* Some leaders postpone corrective action because carrying it out is uncomfortable or distasteful. The practice of storing up observations and complaints and then unloading on an employee in one angry session only alienates the subordinate. Immediate correction and penalties (if appropriate) are more acceptable to the offender, and thus more effective. If there is an association between misconduct and swift corrective action, repetition of the offense is less likely to occur.

- *Create a system of progressive corrective measures for violation of rules.* Fairness requires a progression of penalties—oral warning, written warning, suspension from the job, and discharge. The leader should be sure that a final warning has been issued prior to actual discharge. This progression gives the leader a chance to help the employee improve. If a penalty is necessary, severity should depend on the offense, the employee's previous record, and the corrective value of the penalty. Theft may justify immediate suspension; tardiness may not.

- *Provide an appeal process for corrective action.* An appeal process helps ensure fair treatment for employees. If a mistake is made during the corrective process, a procedure for review can help correct a wrongful disciplinary action.

- *Preserve human dignity.* Corrective action should take place in private. This approach reduces defensiveness and the likelihood that other employees may become involved and create an even bigger problem. Meeting privately provides a better opportunity to discuss the problem and prevent it from happening again. *Never* reprimand an employee in public.

When meeting with an employee, allow time to explain fully. Be a good listener. Ask questions that help the employee clarify actions. Allow for honest mistakes. Everybody makes a mistake sometime. Strike a balance between correcting the problem and developing the employee. Criticize the act, not the employee as a person. Be sure to look at all sides of the problem. If you are in error, admit it. It is possible that the employee is innocent of intentional wrongdoing. If this is so, do not take punitive action, but provide training if appropriate. End corrective action on a positive note. Emphasize cooperation and optimism for future performance.

- *Do not charge a rule violation without first knowing the facts.* In any situation involving disciplinary action, the burden of proof and fairness is on the accuser. Be sure that (1) the rule is enforced consistently and that this incident is not an isolated

case; (2) the employee was informed of the rule; (3) the employee broke the rule; (4) it can be proved that the employee broke the rule; and (5) corrective measures are fair.

There is no substitute for good preparation prior to a meeting on discipline. However, even in cases where you think you have all the facts, you might find otherwise once you begin discussion with the employee. If something new comes to light that should be investigated, suspend the meeting so that the facts can be determined. On those occasions when something new is presented, take time to confirm the facts before acting. Some leaders think, Well, I've come this far. I don't like doing this anyway. I am just going to do what I planned from the beginning, regardless of these new facts. This approach is a mistake. Aside from taking action that may be wrong, you lose credibility with the employee and everyone else who knows the facts.

■ *Obtain agreement that a problem exists.* If you cannot get agreement that a problem exists, the answer is to inform the employee that it is not likely that the employment arrangement will continue. If the employee will not acknowledge that a problem exists, how can steps be taken to correct it? If the problem is not corrected, the employee must be reassigned or terminated.

■ *Avoid negative emotions.* Relax before meeting with your employee; remain calm. *Never* confront an employee in anger. It is difficult to think and to communicate clearly when you are upset or arguing. Never scold or talk down to the employee, and do not curse or strike the person. Once you have taken corrective action, start over with a clean slate. Do not hold grudges or stereotype the employee as a troublemaker.

■ *Remember the purpose of corrective action.* The purpose is to prevent future problems, not to punish or obtain revenge. Be sure the employee understands what is wrong and why it is wrong. Be sure the employee understands the rules and the reasons they exist. Be clear. Also be fair. Ask yourself, Is this disciplinary action too severe? If a lesser measure will accomplish the same purpose, use it. Also ask, Did I clarify the problem, or did I blame the employee? Finally, ask, Does this corrective action provide a way to avoid the same situation in the future?

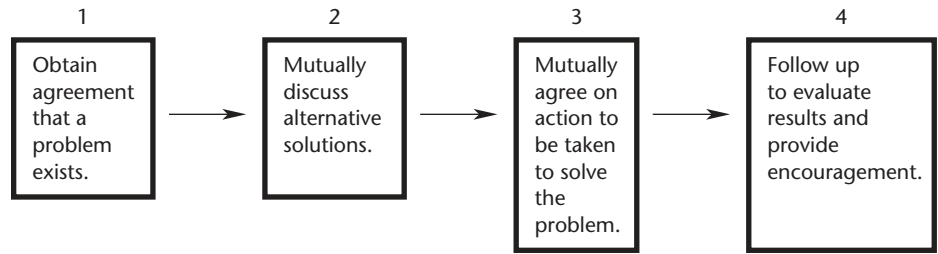
■ *Avoid double standards.* Rules and standards of conduct should be the same for all people in the same occupation and organization, and they should be enforced equally. If this is not the case, disciplinary action is unfair, and when higher management, union arbitrators, or governmental agencies review the decision, the action taken probably will be reversed. Consider the following case:

Sure, I had a crescent wrench in my lunch box, but I'm no thief. Everybody does it. I could give you dozens of examples, but I won't. One thing I will say is that taking company property is not restricted to hourly employees. Look at the way management uses company cars and gasoline for personal trips. And in the shops, we're always fixing something for management—using company labor, tools, and parts. I'm always hearing stories from the front office about how managers combine vacations and company-paid business trips, or use their expense accounts for personal entertainment. I'm willing to live by the same rules everybody else does, but I won't sit still for being singled out. Let's face it: the way most employees think is that as long as you don't overdo it, taking company property is a form of employee benefits—like vacations and insurance.⁶⁵

■ *Enforce rules consistently and firmly.* Disciplinary measures should be taken only when they are fair, necessary, procedurally correct, immediate, and constructive. Once these conditions are met, if disciplinary action is in order, the leader should proceed with confidence and firmness and should stick to the decision. When a leader backs down on a rule violation, employees either think the rule is unimportant or is being applied unfairly. The only time backing down is advised is when a wrong decision has been made. If a mistake is made, the leader must correct the mistake.

■ *Follow the four-step method for solving performance problems.* See Figure 19-4. Note that step 4 accomplishes two important purposes: (1) ensuring the correction is made; and (2) building goodwill by recognizing improvement.

Figure 19–4
Four-Step Method for
Solving Performance
Problems⁶⁶



In summary, employee discipline is an important ingredient for organizational success. Discipline in the form of a caring confrontation can be an effective leadership tool that helps employee development, keeps work morale high, and results in the best job performance.

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Case Study

*The Forklift Fiasco*⁶⁷

There are three forklift truck operators in the warehouse. Two of them are young employees who have both been warned twice (the second warning in writing) about careless operation of the trucks. Last week one of them (Jack) made a fast turn and spilled a shipment. The dropped cartons had to be opened and inspected and a number of damaged items sent back for repair.

The supervisor said it was inexcusable carelessness and gave him a three-day layoff. She warned all truck operators that any damage with trucks would be punished by layoff from here on.

Today Ray Harrison, the third truck operator, ran into a door frame overhead and spilled the entire load he was carrying. He had simply failed to lower the truck. He is a valued employee and has never had an accident or any disciplinary record in all his years on the job. He is a friend and neighbor of the supervisor, and they ride to work together. Everyone is watching to see what the supervisor is going to do.

Questions

1. If a supervisor makes a threat, is it necessary to carry it out?

2. Have you ever been punished for a mistake on the job? Was the action fair? Explain.

3. Discuss the issues and challenges of women leading men, especially in work settings traditionally dominated by men.

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Part Nine Summary

After reading Part Nine, you should know the following key concepts, principles, and terms. Fill in the blanks from memory, or copy the answers listed below.

Performance management skills include (a) _____, _____, and _____. Management performance is important in three areas: (b) _____, the ability to work with and through other people; (c) _____, the ability to achieve results regardless of obstacles; and (d) _____, the ability to generate new and usable ideas. Statesmanship involves good (e) _____ and using the _____ to solve problems. Entrepreneurship requires (f) _____, _____, and _____. Developing creativity and increasing innovation is helped by (g) _____, _____, and _____. Level 5 leadership is required to help an organization go from good to great. The Level 5 leader builds enduring greatness through a combination of (h) _____ and _____. (i) _____ is a careful search for excellence—taking the absolute best as a standard and striving to surpass it. Behavior modification, a method of improving the performance of individuals and groups, involves three elements: (j) _____, _____, and _____. George Washington thought that (k) _____ is the soul of an army, making small numbers formidable, procuring success to the weak, and esteem to all. The three enemies of effective discipline are (l) _____, _____, and _____. Corrective action taken to support core values or principles can be termed a (m) _____.

Answer Key for Part Nine Summary

- a. performance planning, performance coaching, correcting poor performance, page 468
- b. statesmanship, page 489
- c. entrepreneurship, page 489
- d. innovation, page 489
- e. human relations skills, four-step method, page 495
- f. good work habits, belief in oneself, willingness to take risks, page 497
- g. keeping an open mind, having a questioning attitude, using a new-ideas system, page 499
- h. personal humility, professional will, page 505
- i. Benchmarking, page 506
- j. goal setting, feedback on performance, positive reinforcement, page 511
- k. discipline, page 512
- l. permissiveness, rigidity, inconsistency, page 512
- m. caring confrontation, page 513

Reflection Points—Personal Thoughts on Managing Performance, Professional Performance, and Sustaining Discipline

Complete the following questions and activities to personalize the content of Part Nine. Space is provided for writing your thoughts.

- Discuss the importance of setting goals. Apply the concept of performance planning to your own job or career.

- Discuss the merits of performance appraisal. Cite true-life examples in which performance reviews helped or hurt job performance. What do's and don'ts can you recommend for evaluating employees?

- Discuss the idea of rating leaders. If you were a supervisor, manager, or executive, would you want to be evaluated by your employees? Explain.

- Discuss your performance in the areas of statesmanship, entrepreneurship, and innovation. What are your strengths? What areas do you need to improve? What actions will you take to improve?

- Discuss a Level 5 leader you know on the basis of personal humility and professional will. How does the leader demonstrate consideration and service as well as conviction and resolve?

- Evaluate an organization you know on the basis of product quality and service quality. Compare the results against those of its best competitors. Develop an action plan to stay excellent or improve.

- Develop a behavior modification program to improve performance in an existing group: (a) Identify a group with critical performance behaviors (examples—teachers, machine operators, police officers, food service employees, salespeople, nurses); (b) meet with members of the group to help them agree on critical performance behaviors; (c) prepare a checklist of critical performance behaviors (typically, 10 to 15 points); (d) enlist the cooperation of group members in monitoring their own performance and using the checklist to document behaviors exhibited (typically, daily); (e) review progress with group members (typically, weekly); (f) reward participation and progress (provide recognition and reinforcement). Discuss results.

- Discuss the concept of the caring confrontation in the context of effective discipline, employee development, work group morale, and job performance. Have you ever experienced a caring confrontation, either as a leader or a subordinate? Describe the situation and outcome.

Part Nine Video Case

Louisville Slugger—Hillerich & Bradsby

What do Babe Ruth's 60th home run, Joe DiMaggio's 56-game hitting streak, Ted Williams's .406 season, and Hank Aaron's record-breaking 715th home run have in common? They all were accomplished with Louisville Slugger bats manufactured on the Ohio River at Hillerich & Bradsby. The company makes about 300 models for major league baseball and has about 60 percent of the major league market. Best known for its wooden bats, the Louisville, Kentucky-based firm also manufactures a variety of baseball, golf, and hockey equipment for amateur and professional athletes.

The company was founded in 1855 as J.F. Hillerich & Son to manufacture butter churns. It entered the baseball market in 1884 when one of Hillerich's sons, Bud, promised Pete "The Gladiator" Browning, a star player, that he could make a bat for him. H&B began producing bats and today relies on the wooden and aluminum bat business for nearly three-quarters of annual revenues. The name "Louisville Slugger" was registered in the U.S. Patent Office in 1894.

The company remains family-run; John Hillerich IV is the fourth-generation CEO, taking over the private company from his father. He feels the pressure heading a successful company more than 130 years old, as competition in the industry has intensified as never before. The Louisville Slugger bat now competes with bats made by a host of others, ranging from carpenters to Amish craftsmen. To gain an advantage, H&B looked at its internal system in order to streamline operations. The company needed to address everything from order entry problems to production deficiencies to returns. The overview led to discussion of a new system to handle the flow of information.

H&B had a big decision to make: it could either reconfigure its information system or start over. A new system would need to streamline information flow in support of the sales operation and supply chain management, as well as accounting, finance, and marketing. Management realized it needed a new system to improve its dismal shipping record; about 40 percent of its orders were being shipped on time. They opted for the enterprise resource planning (ERP) system, designed to simplify all processes by storing all information in one common database and automatically updating the information in every stage of production.

Implementation of the new ERP system usually takes years, and the transition from the old system to the new one is difficult. Since the ERP system uses real-time information, the production department manufactures only the inventory that the sales department has requested, and the shipping department has the proper amount of inventory to send to customers. The benefits of ERP are bottom-line savings for the company and improved morale as frustration from repetitive tasks and missing information dissipates. H&B managers thought the cost of implementing the new system was worth the potential savings. Communication between production and sales had been inefficient, as well as that with management. Getting an answer to one simple question could take a week.

The first step in streamlining production was to identify problems and devise the needs of the new ERP system. Then, the German company SAP was chosen to provide the software. SAP is a system in which a common server holds all the company's information. Every personal computer (PC) is connected to the server. Once data is entered, it is stored on the server, where everyone can access it from a PC.

During the 18-month configuration process, morale sagged as longtime employees struggled to change the way they worked. Some employees left during training class, stress levels temporarily increased, and some production processes failed. H&B managers thought about halting the new system, but after struggling through implementation, the company began seeing benefits. It took five years to see quantifiable results. Now the company ships 85 percent of its orders complete and on time, compared with 40 percent before SAP. Top customers surveyed rate H&B in the 90–95 percent satisfaction category.

Questions for Discussion

1. What role does information technology play at Hillerich & Bradsby?
2. Discuss “best practices” in IT today.

For more information, see www.slugger.com. See also:

The Conference Board—Trusted Insights for Business Worldwide—
www.conference-board.org

HR Guide—Manager’s Guide to Performance Appraisal—www.hr-guide.com/data/132.htm

HR Guide—Online Performance Appraisal Forms—www.hr-guide.com/data/133.htm

Jim Collins, Author of leadership books—Homepage—www.jimcollins.com

The Ken Blanchard Companies—The Leadership Difference—
www.kenBlanchard.com

Management Innovation Exchange—Homepage—www.managementexchange.com

McKinsey & Company—Homepage—www.mckinseyquarterly.com

Mindtools—Personal Goal Setting—www.mindtools.com/page6.html

Organization Development Network—Homepage—www.odnetwork.org

US Office of Personnel Management—Performance Management Overview &
History—www.opm.gov/perform/overview.asp

American Psychological Association—Homepage—www.psychologymatters.org/assessmentcenter.html

Action Assignment

As a bridge between learning and doing, complete the following action assignment.

1. What is the most important idea you have learned in Part Nine?
2. How can you apply what you have learned? What will you do, with whom, where, when, and, most important, why?