

Proactive Leadership

Creating and Sustaining Performance Standards

Tom Moriarty, PE, CMRP
President, Alidade MER, Inc.
Phone: (321) 773-3356, Email: tjmpe@alidade-mer.com
www.alidade-mer.com

Abstract

Proactive leadership is about being an empowering leader, a coach and about establishing strong performance standards. This paper is intended for managers, supervisors and aspiring managers and supervisors. This is not designed for people wanting to be the next corporate CEO; because there are hundreds of books for this handful of people. We care about the people who make things happen day in and day out. It's for the experienced supervisor who is looking for a few more tools for their leadership tool kit, or the college graduate being assigned a leadership role for the first time. The reader will learn how leadership and management impacts business results, the four main leadership functions, three "must do" activities to set the stage for your team and how to address performance problems when team members fail to meet expectations. This paper provides the background and methods to deal with those who can't, or won't, comply with policies, procedures and guidelines.

Table of Contents

Introduction	3
The Four Main Functions of a Leader	3
Three Leadership “Must Do’s”	4
Provide Empowering Leadership	4
Be a Coach.....	4
Establish High Standards.....	5
Harnessing Bad Behaviors.....	6
Capability Issues.....	6
Motivation Issues.....	6
Non-Negotiables and Harnessing Bad Behaviors.....	6
Leadership Strengths and Weaknesses	7
Conclusion.....	7
Bibliography	8

Introduction – Why this subject; why now?

In the United States, and in many other countries, a long anticipated problem is here; the qualified worker shortage. It is not just finding industrial electricians and mechanics in isolated regions or industries. It is across the board, in public and private sectors, at all organizational levels. The aging of our skilled workforce and lack of young people entering the operations and maintenance fields is now impacting our ability to operate our plants safely and reliably.

The Gallop Management Journal (Journal, 2006) produces a survey report every two years in which they ask employees why they left their previous position. Pay is never the number one reason; it is normally between the 4th and 7th reason. The top three reasons consistently stated are that departing people believe their direct supervisor is an inadequate boss, they don't get to contribute at a level they feel they are capable of, and they don't feel as though their opinion is appreciated. These are all areas where proactive leadership skills can make a difference.

The U.S. Department of Labor, the Society for Human Resource Management (SHRM) and many independent consulting firms put the cost associated with employee turnover at between 25% and 150%¹ of the vacated positions annual loaded compensation; executive and sales positions may cost as much as 250% of their annual loaded compensation.

If you picked a lower/middle average value of this range to be 50%, and estimate 15% annual turnover in an organization of 100 people with an average loaded compensation rate² of \$60,000, you would experience a conservative impact to the organization of \$450,000/yr. For a small organization this is a pretty big number. If you could reduce turnover from 15 to 10 people per year your organization could avoid \$150,000 in cost; not to mention reducing stress on those who pick up additional duties

¹ The wide range of values has to do with what is included in the measure; reduced productivity, administrative costs for documenting wages, insurance, etc. and mandatory training, for example.

² Loaded compensation includes wages, insurance, 401K, employer portion of taxes, etc.

during times when positions go unfilled and the reduced process and system reliability, etc.

So what can you, as a manager or supervisor, do to improve turnover and keep your organization running safely and reliably? The answer is to create and sustain higher performance standards.

The Four Main Functions of a Leader

A leader can be a supervisor of two people in a pump repair shop, or a leader could be the Chief Executive Officer (CEO) of a multi-national behemoth. There are literally hundreds of books written for CEOs and people aspiring to be CEOs, so this paper will focus on the other 99.999% of leaders. The leaders we're talking about have between 2 and 200 people that work under them. These leaders are the backbone of any organization. They are the reason that an organization is successful... or not.

Any leader has four main functions. A leader must provide direction, systems and structure, establish a culture and must be consistent. Providing direction means ensuring their team members understand the mission, goals, values and customer satisfaction issues that the team needs to meet. It is like having a road map for a cross-country journey.

Systems and structure are clearly defined work processes, roles and responsibilities, procedures for handling issues and routine activities. This is like having the operators guide for the vehicle you're taking; knowing vehicle functions and maintenance procedures.

Establishing a culture is something that every leader does whether they realize they are doing it or not. Culture is established by what you say, how you support what you say, and most importantly, by the activities and performance levels that you allow. Culture is analogous to how you drive the vehicle on the cross-country journey. Not following up on tasks that were assigned or not addressing inappropriate comments, is like speeding, changing lanes without flashers, or other inappropriate driving activities.

Consistency is perhaps the most under-rated function of a leader. People can conform to most leadership styles if they know the established rules and requirements will be consistent. They may not agree with every rule or

requirement, but if the boss is consistent the team can plan and know what is expected of them. Consistency is like a well maintained vehicle. Every time you turn the key the engine fires up, tire pressure is maintained and there is confidence that the vehicle can make the full journey.

Three Leadership “Must Do’s”

An excellent book by Dr. Charles Maister titled “Practice What You Preach” (Maister, 2001) provided results of a comprehensive study. The study was a survey of over 5,500 people from 129 companies located in 29 countries. Dr. Maister’s book establishes a link between financial performance (in terms of a Financial Performance Index)³ and leadership elements that contributed to high levels of performance. What he found was that financial performance was driven by high quality products/services and customer satisfaction; no surprises there. Interestingly, high quality and customer satisfaction were driven by employee satisfaction and high standards. Further, employee satisfaction was driven by empowering leadership and coaching, combined with high standards.

What we can take away from Dr. Maister’s work is that if leaders focus on three things – we will call these three “must-do’s” – then we can be assured that we will be on the right track for keeping our people happy. When your people are happy they perform better and they aren’t as eager to leave for greener pastures; lower turnover results. The three must do’s are being an empowering leader, being a good coach, and maintaining high standards.

Provide Empowering Leadership

Being an empowering leader is a balance between not being too involved, and not being uninvolved. The tool you need for being an empowering leader is the Empowerment Box (figure 1).

The Empowerment Box is a tool for creating a description of the space within which your team member(s) can have autonomy to complete tasks. There are four sides to the box:

³ Financial Performance Index – a combination of current revenues, average of the previous two years revenues, current profit margin and average of the previous 2 years profit margin.

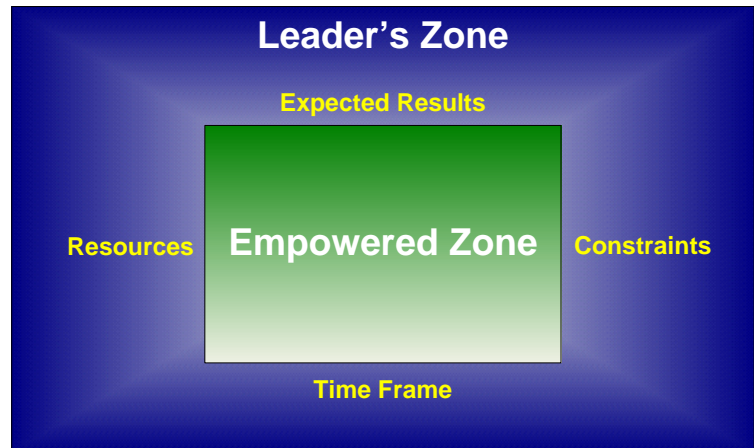


Figure 1 Empowerment Box

- Expected Results – a description of the end product of the assignment; this may include a standardized procedure, or not.
- Time Frame – when the project must be started, when it must be completed and any important milestones within the assigned tasking.
- Resources – man hours, tools, budget, etc. The skills and tools that will be needed and that must be available to get the job done.
- Constraints – the things that the team member must do, or must not do; commonly referred to as non-negotiables.

See the Empowerment Dialogue sidebar (figure 2) for a suggested process for discussing the empowerment assignments.

By explicitly describing the Empowerment Box you are not only telling the person what your expectations are, you are also establishing how successful they can be; if resources are insufficient, you can’t expect perfect results. As an example: if you empowered the team member to complete a job in one hour, but even the best performing team member would need an hour and a half it is not a realistic expectation. So it is often best to discuss the assignment with the team member to negotiate a reasonable set of parameters; earning buy-in and increasing trust.

Be a Coach

The second leadership must-do is to know your people and what they need from you. Most people are capable of much more than they are currently contributing. Workforce surveys consistently show people want to contribute at higher levels. Any group of people is comprised of many different personalities and confidence

levels. Your job as a leader is to know where your people are and how best to support them. How ready your people are, and how much coaching they need depends on a number of factors, such as:

- Importance of the task
- Experience of the individual
- The individual's confidence level to take on greater responsibility
- Your confidence in the person's abilities

A good tool for evaluating the level of coaching you need is the Situational Leadership Model⁴. This model shows how a leader's coaching behaviors should change along two dimensions. These two dimensions are directive behaviors and supportive behaviors. Directive relates to how detailed the information you provide needs to be. Supportive relates to how much involvement you have with the team member during execution of the work.

1. Directing – do it my way, follow instructions exactly.
2. Coaching – do it how I showed you and I'll be here to support you.
3. Supporting – you know what you're doing; keep me informed.
4. Delegating – you know what you're doing, call if there's a problem.

Of course the goal for our people is quadrant 4; delegation. Realistically, because of turnover, personality differences, process changes, etc. you will never have all your people in quadrant 4. From my perspective this would be a pretty boring situation for you and your people anyway.

As your people master routine tasks you can look for opportunities for them to take on greater responsibilities or participate in non-routine tasks. Examples include capital project planning, Root Cause Analysis teams, contributing to system re-engineering, collateral assignments (safety, environmental, community relations, etc.). Your expertise as a coach will determine how productive and professionally satisfied your team members will be.

Establish High Standards

When we talk about standards we are talking about many types of standards. There are standards for job etiquette

⁴ Situational Leadership Model – Developed by Paul Hersey and Kenneth Blanchard.

Empowerment Dialogue

1. Describe the responsibility that you would like the individual to assume and ask how they feel about taking it on.
2. Complete the Empowerment Box (expected results, time frame, resources and constraints).
3. Discuss the possible barriers or obstacles the individual may encounter.
4. Ask the person what support they would like from you.
5. Review their understanding of what they will be doing and set a time to get together to review progress.

Figure 2 Empowerment dialogue sidebar.

(respecting others, clean up after yourself, etc.), there are production quality standards, there are safety standards, etc. Many standards will be dictated by the OSHA, EPA, FDA, FAA or other regulatory organizations. As a leader, your job is to establish consistency with all standards.

The surest way to lose the respect of your team members, peers and bosses is failing to follow through on enforcing standards. Why is this so? Think back to some of the bosses you've had over your career. The good bosses made sure people knew what was expected of them. Good bosses didn't ignore team members who failed to comply with expectations. When someone fails to comply the other team members who are complying feel disrespected; like when someone cuts in front of you while you're waiting in line to buy a movie ticket. "I'm following the rules, how come you don't have to?" The seeds of discontent begin with inequity.

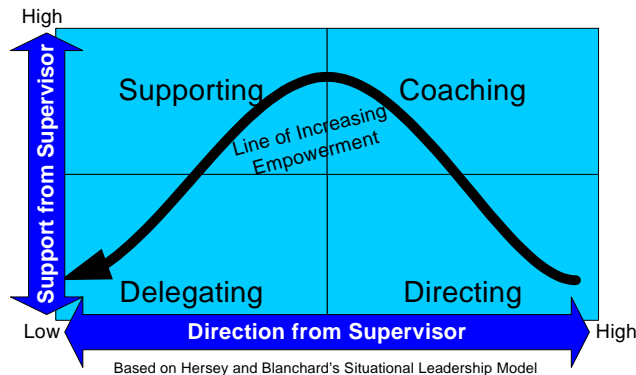


Figure 3 Situational Leadership Model

I was recently in a manufacturing plant where they gave “Ole’ Grumpy Joe” (a worker who refused to learn new procedures) the job of being a lubrication tech because it kept him doing something productive, away from other workers. This is a classic case of a supervisor that had avoided an issue. It sends the message that an individual team member can decide to not participate.

On top of that, does it make sense to assign a disgruntled or under-performing team member, to arguably, one of the most critical functions of the maintenance department? How dedicated do you think Grumpy Joe is at ensuring dust caps are placed on grease fittings and ensuring the correct lubricant is applied to the correct piece of equipment?

When you create standards you must enforce them. If your enforcement is low you can count on team performance to be low as well. Set performance goals high, but achievable. Follow up on non-compliant behaviors.

Harnessing Bad Behaviors – Following Up on Non-Compliance

My former military career trained me to classify sub-standard performance as either a capability or a motivation problem. It is the leader’s responsibility to identify which problem is the root cause.

Capability Issues

Capability problems occur when people don’t have the training, the physical attributes or the experience to carry out what we expect of them. This often happens when the leader does not ask the right questions, or makes assumptions. It’s also relatively common that a person may be limited; not good with computers, color blind or perhaps they never learned to read very well. Capability

problems may also result from stresses at home; inability to focus. There are things we can do to solve capability issues once we understand them; we adjust for the deficiency and get them over the bump in the road. When we do this well, it frequently results in greater loyalty and commitment from the team member. We should always make certain there are no capability issues before we jump to motivation issues.

Motivation Issues

Saying that someone has a “motivation problem” in my past military career was a polite way of describing someone as a “pain in the butt”. Motivation problems are a major turn-off for people who would otherwise consider taking on supervisory positions. Dealing with people that have motivation problems is not a comfortable activity for most leaders, but it must be done for the benefit of the rest of the team. Ignoring bad behaviors causes everyone to lose respect for the supervisor and encourages further deterioration of standards, leading to a poor work environment and high turnover.

The person with a motivation problem knows what they are supposed to do, but they make a choice to do something different. They may come up with excuses; common excuses such as “You didn’t tell me that”, or “Quit micro-managing me, I know what I’m doing”. They bristle at any suggestions or input from others. They project disdain or engage in passive aggression. The under-performing person probably feels unappreciated, does not believe the performance expectations are legitimate or has experienced poor treatment in the past. Letting this type of performance to go on is not an option.

Non-Negotiables and Harnessing Bad Behaviors

To correctly address any sub-standard performance we must confront it in a timely manner and be firm in our communications; the procedure is known as harnessing. Done properly, harnessing can actually help to build trust between two people because it is used to create a climate of consistency and fairness. We use harnessing techniques under two conditions:

1. When we need to address sub-standard performance.
2. We are in a position of authority over the person exhibiting poor behaviors.

First, let’s talk about non-negotiables. Non-negotiables are the basic skills and performance expectations that we require from each person. They are a necessary

foundation for building a highly effective team. There are three categories of non-negotiables.

1. Compliance with policies and procedures.
2. Interpersonal conduct and behavior.
3. Minimum performance standards.

Examples of non-negotiables include:

- Being cross-trained in different functions or skills
- Arrive at work on time
- Not abusing break time allowance
- Treating others with respect
- Comply with personal protective equipment requirements
- Report dangerous conditions or actions

There are two important issues to consider when defining non-negotiables. You must be able clearly link them to the three categories of non-negotiables and you must have upper management support before engaging in disciplinary action. You will be worse off if you have to invoke disciplinary actions that are not consistent with the organization's policy or if upper management doesn't support your intended actions. Communicate and be sure of your ground before invoking disciplinary action.

Here are the steps required to properly address harmful behavior:

1. Find a neutral location, where others don't see or hear the discussion.
2. State directly and specifically what you see happening.
3. State your concern and the consequences or effects of those actions.
4. Invite the person to provide their point of view and listen carefully, to what is said.
5. Review with the person your expectations and provide any needed training or information that serves to improve their perspective.
6. Ask for a commitment from the person to improve.
7. Acknowledge the commitment and let the person know that you appreciate their commitment to improve.

Your team is made up of people who want and deserve a sense of equity. Harnessing non-compliant behaviors may never become comfortable for you, but you must do it for the other people on your team; the other team members will be acutely aware of the problem. After all, why should anyone follow the rules if there are no consequences?

Leadership Strengths and Weaknesses

How do you know where your strengths and weaknesses are? I suggest that you take a leadership self-assessment. A leadership self-assessment provides a means for you to categorize your tendencies. With awareness there will be two avenues for you to improve. First, you can recognize opportunities for trying new leadership techniques and working to improve. Second, you can look for training and education opportunities and take advantage of them. Over time you will make improvements and hone your skills, eventually becoming the confident, expert leader you want to be. You can also coach your team members or aspiring leaders to use the same approach.

What if I manage a group of other managers and supervisors? How can I assess where my leadership team is with regard to overall leadership skills? You could simply have each member of your team take the self-assessment as discussed above. Each person would receive the assessment for themselves, and you, as the leader of the group would receive a consolidated report that shows the leadership tendencies of the group and of the individuals.

When you become aware of your weaknesses and begin to apply better leadership practices keep your boss informed. Tell him/her how you came to the realization that you could improve your leadership skills. Tell them how you will be working to improve and that you would like their support.

Conclusion

Any leader has four main functions. A leader must provide direction, they must provide systems and structure, they must establish a culture and they must be consistent. Leadership has a direct connection to financial performance; turnover costs, production of high quality products/services and customer satisfaction resulting from employee satisfaction. Employee satisfaction is driven by empowering leadership, coaching and high standards.

Every good leader will make some mistakes in how they empower their people, or in how they read the readiness of their people to take on more complex work. The tool you need help you become an empowering leader is the Empowerment Box. The Empowerment Box establishes your expectations for the results, available resources, time limits and non-negotiable issues. Once you build the box, you allow your team member(s) to complete the tasking. A good tool for evaluating the level of coaching you need

to provide is the Situational Leadership Model. This model categorizes a leader's coaching behaviors along two dimensions. These two dimensions are the directive behaviors and supportive behaviors. Understanding where your people are allows you to best support their professional development.

As a leader, it's your job is to establish the standards that relate to your team. The surest way to a culture of bad habits is to not follow through on enforcing performance standards. Use harnessing techniques to confidently, and correctly deal with sub-standard performance. Doing otherwise is an insult to those who consistently follow the rules. Consider Self-Assessments to pinpoint the areas where leadership skills can be improved. Through awareness and training you can become the leader everyone wants to work for.

Bibliography

Maister, D. C. (2001). *Practice What You Preach*. New York, NY: The Free Press.

Ram Charan, S. D. (2001). *The Leadership Pipeline*. San Francisco, CA: Jossey-Bass, Inc.