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Proactive Leadership

Creating and Sustaining Performance Standards

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Track 4 People Skills





Why should we care about being a Proactive Leader?

- Qualified worker shortage is not coming – it's here!
- Turnover is expensive; jeopardizes your business
 - 25% to 150% of annual compensation (up to 250% for exec/sales)
- We need to attract and retain qualified workers to safely and profitably operate the plant
- We need to maximize worker engagement and create a reputation of being the employer of choice



What successful business leaders have to say...

"The people who are doing the work are the moving force behind the Macintosh. My job is to create a space for them..."



Steve Jobs, CEO of Apple



"If the employees come first, then they're happy, ... A motivated employee treats the customer well. The customer is happy so they keep coming back, which pleases the shareholders. It's not one of the enduring mysteries of all time, it is just the way it works."

Herbert D. Kelleher, CEO of Southwest Airlines



Let's see what successful business leaders have to say...

"People want to be part of something larger than themselves. They want to be part of something they're really proud of, that they'll fight for, sacrifice for, that they trust."



Howard Schultz, Chairman of Starbucks



"Employee engagement first. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it. That's why you need to take the measure of employee engagement...."

Jack Welch, Former CEO of General Electric

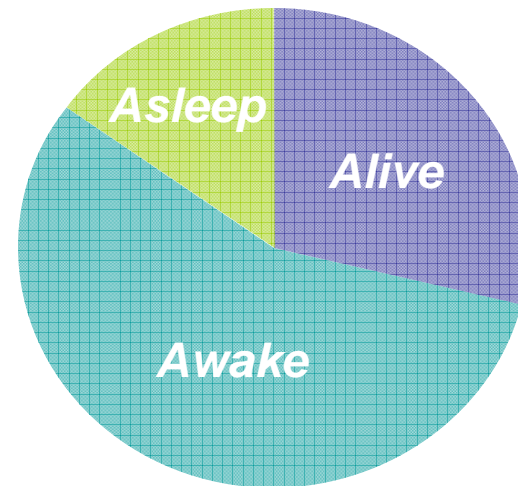


3 Types of Employees:

- *Engaged (alive) – 29%*
- *Not-Engaged (awake) – 56%*
- *Disengaged (asleep) – 15%*



71% of employees are either indifferent to their work or actively disengaged!



Source: Gallup Organization 2006 Research



The High Cost of Disengagement

Measure	High Engagement	Low Engagement
Net Income	+13.2%	-3.8%
Operating Income	+19.2%	-32.7%
Earnings Per Share	+27.8%	-11.2%

Study; ISR, 2006, "WorkUSA Report",

Watson Wyatt, 2006; "Employee Engagement, Customer Satisfaction and Profitability", Prof. James Oakley of Ohio State University



The Evidence

- “Practice What You Preach”, Dr. Charles Maister
 - 5,500 people surveyed, 129 companies, in 29 countries
- Customer Satisfaction & Quality Drives Financial Performance
 - 42% Financial Performance Improvement
- Employee Satisfaction & High Standards Drive Customer Satisfaction & Quality





Employees Dissatisfaction

The ten most frequently cited reasons for employee dissatisfaction are:

Key misperception:

Employers who think their people leave for more money: 89%

Employees who actually do leave for more money: 12%

1. Lack of career growth
2. Poor supervisors
3. Poor communication
4. Pay: paid under-market
5. Lack of recognition
6. Poor senior leadership
7. Lack of training
8. Excessive workload
9. Lack of tools and resources
10. Lack of teamwork

Source: Saratoga Institute, Disengagement Study

Source: Gallop Management Journal Poll, 2007



Improve Engagement through Proactive Leadership

- The 3 “Must-Do’s”
- Dealing with Harmful Behaviors
- Be Conscious of Our Strengths & Weakness



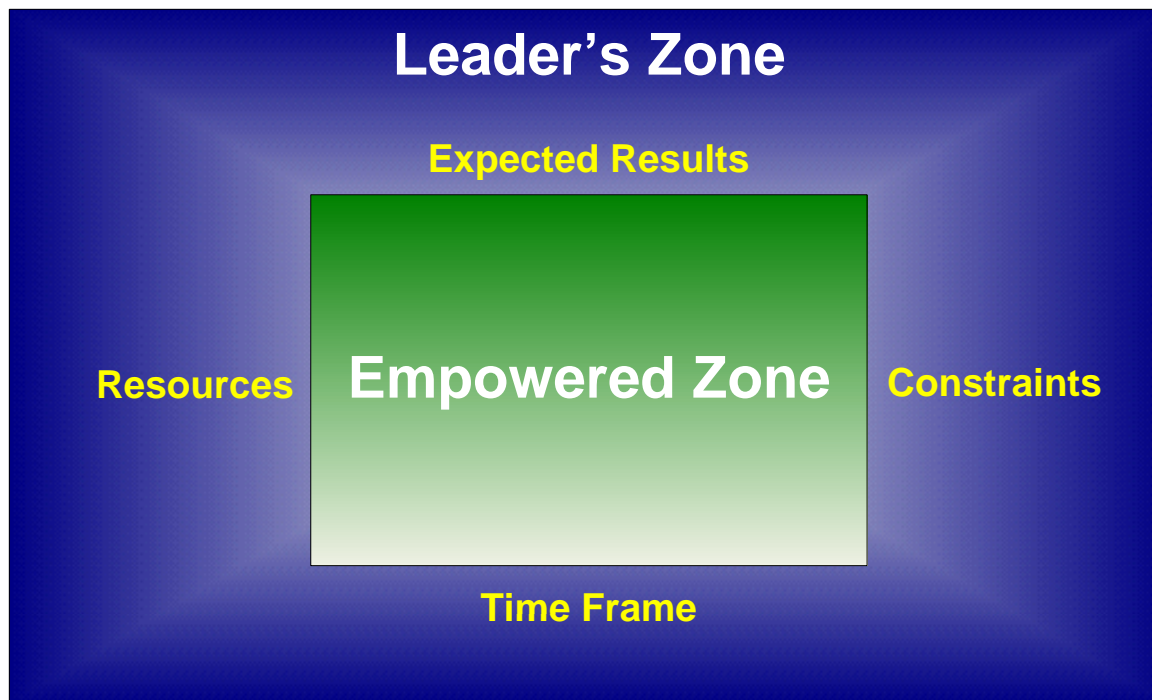
The 3 Leadership “Must Do’s”

1. Empowerment
2. Coaching
3. High Standards



Empowerment

Making sure people know what needs to be done, by when, with what resources and what their constraints are.



Build a box within which your team members can use their own initiative to perform.

Provide them what they need, and be available.

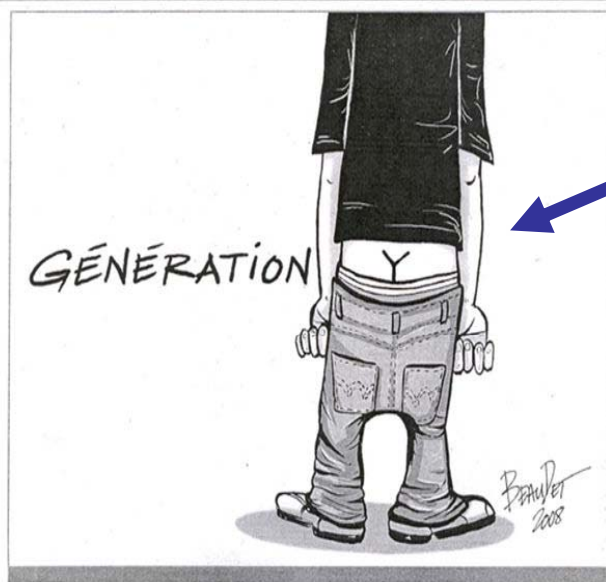


Coaching Today's Workforce

	Traditionalist	Baby Boomer	Gen X	Gen Y
Birth Range	1922-1945	1946-1964	1965-1980	1981-2000
Total	48.7 million	78.3 million	63.3 million	80.4 million
% of Population	17%	28%	23%	29%

n-gen

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The reason they're called Generation Y.

One Size Does Not Fit All:

Today's supervisors and managers have to deal with four generations in the workforce

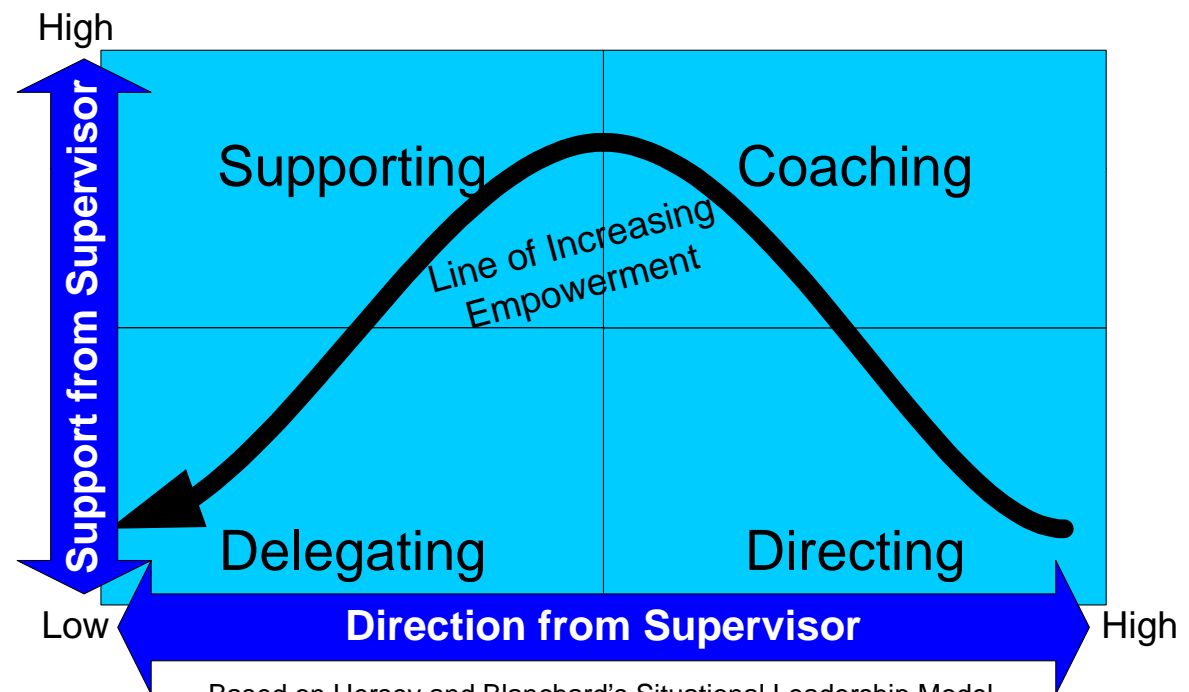


Coaching

Use the Situational Leadership Model to guide your level of interaction.

This is a critical skill for supervisors and managers.

Allocate time to know your people and their capabilities.





Setting Standards

- Standards are expected performance norms
- A leader must:
 - Make the standards known
 - provide what is needed for compliance
 - enforce the standards
- Standards are set in three general areas
 1. Policies and procedures
 2. Interpersonal conduct and behaviors
 3. Minimum performance standards



Harnessing Harmful Behavior

- Harmful behaviors are actions, or inactions, by team members that work against the best interest of the organization (non-compliance with standards).
- The proper management of harmful behaviors is referred to as harnessing.
- Failure to address harmful behaviors is a sign of weak leadership, which will result in lower team engagement and an inability to effectively lead. (Why?)



Harnessing Harmful Behavior

Why deal with people who don't follow the rules?

What's wrong with looking the other way?

The impact on the rest of the team!

We need to support those who are following the rules and doing what they are supposed to do.



When do we use harnessing techniques?

1. When there is non-compliance with:
 - Policies and procedures.
 - Interpersonal conduct or behavior.
 - Minimum performance standards.

AND...

2. When you are in a position of authority over the person exhibiting non-compliance.
 - What if the person doesn't work for you?



Steps for Harnessing Sessions

1. Find a neutral location, where others won't see or hear the discussion.
2. State directly and specifically what you see happening.
3. State your concern and the consequences of their actions.
4. Invite the person to provide their point of view and listen carefully, to what is said (capability or motivation?).
5. Review your expectations and arrange for 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.



Notes for Harnessing

Is it a capability or a motivation problem?

A good leader takes responsibility for developing their people, and for dealing with performance problems.

Harnessing will work for capability or motivation issues.

- Capability issues may be lack of information or tools, technical skills, reading ability, color blindness, or personal problems
- Motivation issues are “attitude” problems.

Determine if it is a capability or motivation issue.

- **Critical Note: *Ensure it is not a capability problem before assuming it is a motivation problem!***
- Provide support for capability shortcomings
- Use HR policies when capability has been ruled out



Working on Your Strengths & Weaknesses

- Effective communication is a common weakness.
 - Work at developing a good rapport with your team, your peers and the people you report to
 - Talk with them, understand their perspective
- Use tools to gauge improvement opportunities:
 - Workplace Climate or Job Satisfaction Surveys
 - Leadership Self-Assessment Surveys
 - 360 Degree Assessments
 - Motivation & Coaching Surveys



Remember why they leave?

The ten most frequently cited reasons for employee dissatisfaction are:

Test

Which of these top ten issues can you, as a leader, affect by applying Proactive Leadership?

1. Lack of career growth
2. Poor supervisors
3. Poor communication
4. Pay: paid under-market
5. Lack of recognition
6. Poor senior leadership
7. Lack of training
8. Excessive workload
9. Lack of tools and resources
10. Lack of teamwork

Source: Saratoga Institute, Disengagement Study



Proactive Leadership Summary

- Know your role as a leader
- Understand the impact your leadership has on your team and your organization
- Develop a Proactive Leadership style
 - Empowerment
 - Coaching
 - High Standards
- Deal with harmful behavior

Thanks for attending.
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