

LEADERSHIP ISSUES

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Times are tough and the economic seas are rough. The future is rife with uncertainty. So, what else is new?



Improving performance in tough times 3 secrets, x 2

By [John C. Horton](#)

Times are tough and the economic seas are rough. The future is rife with uncertainty. So, what else is new? We, who are beyond a certain age, have seen much of this before. By the way, that doesn't make it any less tough or any more certain. Just familiar. And, to be fair, today's global economic reality – and all its collateral effects – are more dramatic than anything I've seen.

However, this no time for handwringing. Nor is it a time for "wishin' and hopin'." There

are three proven "secrets" that work well in any economy but seem to be paramount in one like we have today.

1. Stop *valuing* everyone equally.

(Ouch! Did that sound a little harsh or perhaps politically incorrect? Read it again. "Valuing.") I am in full and complete agreement with the self-evident truth "that all men are created equal, that they are endowed by their Creator with certain

unalienable Rights..." I further believe that same Creator creates everyone with an equality of intrinsic worth as human beings. Please do not confuse intrinsic human value with talent appropriate for the job and aptitudes, innovative thinking, contribution, initiative, perseverance and other high achieving traits and characteristics.

We love all our employees. And, those who make a positive difference in business performance (thus creating

more value) should be *valued* differently. Treat your high achievers differently. A former colleague used to say, "Feed your eagles and starve your turkeys." (I can hear the folks over in human resources cringing even now!). Every employee deserves the right to succeed or fail. They further deserve – to the extent possible – the necessary resources to do their job. If you look closely you'll probably find that your high achievers need more resources (hint: they're getting more done).

Also, reward your high achievers accordingly. As an employer you want to "get what you pay for." You should also "pay for what you get." If your organization is fairly typical, many, if not most, of your lower achievers are very nice, affable and even loyal employees. Don't be misled by the difference between "loyal" and "competence or contribution." There should be a *noticeable* gap between the pay of your high achievers and your lower achievers.

2. Hire slow and fire fast.

Chick-fil-A is one of those rare companies who "get it" when it comes to "hiring slow." Andy Lorenzen, Director of Talent Strategy and Systems for Chick-fil-A says of their selection process, "Our general perspective on talent is long-term. This is a bedrock principle in our business. Now, if we know that we are going to make decisions about people (which are the most important decisions we make), it means that we need to make them with the knowledge that we will need to live with the decisions we make. So when we select talent into the business, we are thoughtful and deliberate about those decisions. We take time to get to know the person, not just because we think it is the right business decision,



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but because it is the right thing for the person. We want the candidate to understand what it means to work at Chick-fil-A and have clear expectations as a result. We also believe that there is 'wisdom in a multitude of counsel,' and because of that, many people typically speak into a selection. Doing that takes time. We believe in hiring slow because the outcome is usually better."

The Vice President of Human Resources at another one of my client companies likes to say, "Engage early and often" when it comes to performance issues with employees. When Jack Welch was CEO of GE, he said, "When you don't fire underperforming members of your team, you're not only hurting the organization, you're hurting them – because you're giving them a false sense of what success looks like."

Here's how you keep this aligned: hold people accountable to the job you hired them to do. If they're struggling, help them. Really. Don't enable them. Don't just "keep book" or "paper the file" in anticipation of a termination. If they can't live up to the minimum requirements of the job or are barely holding on to the bottom rung, you're likely "giving

them a false sense of what success looks like."

Lorenzen says Chick-fil-A may take longer than some other companies to dismiss performance-challenged employees. "Our former president, Jimmy Collins, is fond of saying 'Don't just make good decisions. Make your decisions good.' Our long-term perspective on people applies here as well. We want people to be successful here, and sometimes it takes a little while longer and a little more effort to create the circumstances for that to happen. This is counterintuitive in business today, where decisions about people are made quickly and often without very much thought. So we go longer. We give a little more grace. We work a little harder to make it work--to make the decision good. Most of the time, it does work out. Sometimes, despite our best efforts, it doesn't. But when it doesn't, it isn't because we haven't tried."

Firing people is not about rude or heartless behavior. What is truly rude and heartless is to hold captive an employee who cannot be reasonably successful in your organization who might otherwise grow and blossom elsewhere. Set them free!

3. Understand that culture trumps strategy.

One of my intellectual heroes, Peter Drucker said, "Culture eats strategy for breakfast." Your culture is often hard to see from the inside out. Well, you're part of it. It's "the way we do things around here." It's the collective assumptions about how we deal with external problems and internal integration. It includes artifacts and rituals (easy to see), shared values and beliefs (a little harder to see), and unspoken rules (very difficult to see), which are often underlying drivers of corporate culture. Culture is the most difficult corporate attribute to change and thereby one of the most powerful.

Louis V. Gerstner, Jr., former CEO of IBM said, "I came to see in my time at IBM, that culture isn't just one aspect of the game – it is the game." Is your culture helping or hurting your performance? How do decisions get made? What is the "pace" of business? How responsive is your organization? Does your organization focus more on accountability or blame? Does it value innovation or entrenched ideas? Do you have an idea-friendly environment? How open to change is your organization (adaptable or rigid)? Are your strategies and your culture in alignment?

If you decide to work on changing your culture, keep two things in mind: (1) keep your focus on the very few changes that matter most. Maybe two or three simple but important changes. Top management agreement and

commitment to these changes is vital. Someone has to lead and spend political capital to make these things happen. Inspect what you expect. Lead by example. Or forget it. (2) Weave these change efforts into business improvement activities or projects. A culture change initiative as a stand alone project is dead on announcement. Since culture is how we do things around here, make the desired changes part of how we do things now around here.

Getting better at getting better

I understand that working on your rowing technique can be a lifelong quest for perfection for serious rowers. Michelle Guerette, two-time world championship bronze medalist in single sculls explained in a May 2008 article in The New York Times, "There are principles in rowing that are *universally correct*."

This culture stuff is not easy, but it is [simple](#). In my "universal observations" high performing organizational cultures demonstrate three "secret – *universal* – principles" hidden in plain sight:

1. **Clarify** - Such things as vision, values, strategic intent – those things that matter and set the direction of your company.
2. **Act** - Generate [momentum](#) on those things.
3. **Improve** - You have to be better than you have been and you have to do it faster than your competitors – all the time.

You can weather this storm. It's not going to be easy, but it's as simple as 1... 2... 3... x2.

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Louis V. Gerstner, Jr.,
Former CEO IBM

