

LEADERSHIP Excellence™



THE MAGAZINE OF LEADERSHIP DEVELOPMENT, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY

VOL. 24 NO. 3

MARCH 2007



Successful Approach

Your approach to leadership may be bold as you go for the goal, but monitor your success rate and brand your development so that you cultivate sound judgment and lean thinking and learn the lessons of wins and losses.

<p>JIM COLLINS <i>Failure or Fallure</i> Start measuring your success rate3</p>	<p>in talent-share? 8</p> <p>JUDITH A. HALE <i>Certification</i> It's a retention and cost-saving strategy 9</p>	<p>Learn from your losses and victories13</p> <p>ANDRE MARTIN <i>Creating Leader 2.0</i> Engage in an action-learning approach14</p>	<p>Revamp old ways of recognizing people 17</p> <p>HOWARD GUTTMAN <i>Decision Leaders</i> They are both decision makers as well as decision mentors 18</p>
<p>JON YONGER, NORM SMALLWOOD, AND DAVE ULRICH <i>Branded Developers</i> They engage in job sculpting 4</p>	<p>NOEL TICHY AND WARREN BENNIS <i>Sound Judgment</i> This is what great leaders possess10</p>	<p>CHRISTOPHER RICE <i>Four Priorities</i> Make talent a top priority15</p>	<p>MICHAEL M. GRANT <i>Performance Management</i> Use quality principles to manage people 19</p>
<p>KATHRYN GRIFFIN <i>Lawyer CEOs</i> Your chief counsel may be a leader 6</p>	<p>ROB LEBOW <i>Lean Thinking</i> See and manage your firm as a system 11</p>	<p>JOHN BOSTICK <i>Ride the Turbulence</i> Manage well the transition points16</p>	<p>STEPHEN J. CABOT AND JULIUS M. STEINER <i>Make Your Company a Great Place to Work</i> Craete a menu of benefits and options ... 19</p>
<p>LANCE SECRETAN <i>Bold Dreams</i> Align your people behind your dream7</p>	<p>MICHAEL FEINER <i>Commitment</i> This is what drives high performance12</p>	<p>JOAN MARQUES <i>Awakened Leaders</i> They share five traits in common16</p>	<p>MARILYN MANNING <i>Embrace Diversity</i> Set ground rules for working together 20</p>
<p>BRIAN C. WALKER <i>The Race for Talent</i> Are you gaining</p>	<p>RICHARD LEPSINGER <i>Five Lessons</i></p>	<p>ADRIAN GOSTICK <i>The Carrot Principle</i></p>	

Performance Management

Use Six Sigma principles.



by Michael M. Grant

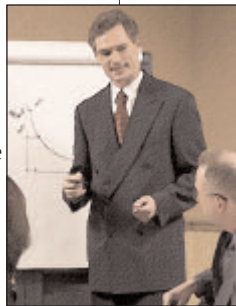
ALTHOUGH MANAGING the performance of people is often more challenging than ensuring an operations process produces no more than 3.4 defects per million (the goal of the Six Sigma), the same principles apply.

I find it odd that leaders who successfully use Six Sigma to manage product and service quality find performance management such a challenging and painful process. Most managers conceive of performance management as a once-a-year process, dread it, put it off, and then rush through it to get it over with quickly—like filing income taxes.

To achieve minimal defects goals, Six Sigma follows four steps, and the same steps can be used in managing people performance:

Step 1: Define what will be improved. As the strategic goals cascade from leaders on down, each person is assigned performance goals for a time. Make sure each person understands his or her goals, agrees to them, and sees how these align with strategic goals. Set expectations and then set SMART (Specific, Measurable, Attainable, Relevant, and Time-Bound) objectives. Most leaders and managers don't co-create SMART objectives with their people. Vague, un-measurable goals make for ambiguous performance.

Step 2: Decide how to measure the performance objective. How will people measure progress and report back? What will they measure? Cost, timeliness, quality, customer satisfaction, error reduction, quantity, what? Managers struggle with measurement, when the performance or behavior seems less quantifiable as in a competency like "teamwork" or "communication." Break down competencies or behavioral objectives into their component parts. "Teamwork", for example, could be made measurable if SMART objectives were related to: 1) on-time attendance at team meetings; 2) offers ideas to solve team problems; 3) communicates back to the team about indi-



vidual progress. Specific, measurable behavioral targets can be set for most behaviors of "teamwork." The measures might not be as "tight," but it is better than leaving important competencies unclear and unmeasured.

Step 3: Analyze the data. The data produced by performance measurement won't require the statistics Six Sigma does and can be done in brief, informal conversations about where the employee is, to date, on performance objectives (above, on target, below). The manager needs to ask: "How are you doing this week, month or quarter on your performance goal—what do the measures indicate?"

In areas in which a direct report is below an acceptable level of performance or, if on target, could do even better, specific coaching and developmental opportunities can be provided to help the employee improve. Engaging in improvement efforts can be added to the original performance objective and the effects of these efforts assessed to provide data for the next performance discussion.

Engage in analysis and improvement discussions frequently. Ongoing feedback and coaching about performance should occur monthly, if not weekly, and it can be brief and informal. A five-minute "check in" may be all that is needed. Keep giving positive feedback and coaching.

Step 4: Maintain performance improvements. Recognizing and rewarding good performance is a powerful way to maintain and reinforce it. Acknowledging gains, verbally or in writing (even in small ways), makes a big difference, since reinforced behavior is repeated. So, when you see your people improve their performance, reinforce it.

If you follow the four steps in managing your people's performance, then performance reviews can become reviews of the progress and development. Agreement on performance ratings for the period is less subjective because it is driven by data collected against each SMART objective. Applying Six Sigma steps to performance management better fulfills its real purpose—achieving the strategic goals by ensuring that each employee meet his or her goals. Six Sigma for people is the essence of performance management. LE

Michael M. Grant is a principal at Leadership Resource Center. Email michael@leadershipresourcecenter.com.

ACTION: Improve your performance management.

Make Your Company a Great Place to Work

Promote positive relations.



by Stephen J. Cabot and Julius M. Steiner

MANY LEADERS FIND THAT AN EFFECTIVE means for reducing labor relations problems before they arise is to hire committed workers with positive attitudes. By developing a strategic HR plan that fosters a reputation as a great place to work, you attract productive workers who take pride in their work and their company.

In various venues, workers should get to express themselves to management. If you do not listen and respond positively, problems will fester and labor relations problems arise. You must communicate your interest in the welfare of employees by creating worker-friendly conditions that enable workers to control more of their lives.

Efforts to make the workplace more healthful and less stressful are appreciated by workers and result in greater productivity. For example, many companies now have on-site fitness programs, subsidize on-site fitness centers, and provide yoga or aerobic exercise classes. Companies may also provide unpaid sabbaticals for those who have been with the company for so many years or have seniority.

Menu of Incentives

Here is a menu of programs that can be combined and refined to satisfy the needs of workers and create a reputation as a great place to work.

1. **Recreation programs.** Sponsor video game tournaments, movie nights, trips to the theater, wine tasting trips, weekend skiing trips, and attendance at sporting events.

2. **Financial incentives.** Put a percentage of salaries into 401 (k) plans, offer free investment advice from professionals, and provide interest-free loans for college.

3. **Equitable advancement.** In companies with a large portion of female employees, more women should be promoted to managerial positions.