

Managing for Improved Performance



Freightliner LLC

The material within the *Managing for Improved Performance* module is for Freightliner LLC instructional purposes only.

Reference to an "authorized" dealer signifies a dealer under contract with Freightliner LLC via signed dealer agreement.

Introduction

If you're like many of us who have had the title, "manager," you were first promoted into management because you had good technical skills. While an understanding of how to do the jobs of the people who report to you is important, management (*as you've likely discovered*) involves much more. There's the human element—working with a group of people who bring unique personalities, technical abilities, professional challenges, and personal issues to work with them every day. You've probably found resources to help you deal with the technical aspects of your job like placing stock orders or reading a financial statement, but far less is generally available to help with the people issues. For those, many of us had to rely on the example set by a manager we worked for or on trial and error.

This course is designed to change that by providing practical insights that you can use every day to improve your effectiveness working with the people who report to you. We refer to these insights as "soft" skills, but they are anything but easy. And, they have a tremendous impact on your department's performance. Make no mistake, this course is *not* about "feel good" exercises, it's about bottom-line results.

How This Module Is Organized

This module answers the following questions:

- What is your most important function as a manager?
- What does it mean to be an effective leader?
(*How does leadership differ from management?*)
- How do you build personal credibility with your employees?
- What's the best way to let employees know what you expect of them?
- How should you coach people to improve their performance?
- What's the best way to reward good performance?
- How should you correct inappropriate behavior?
- How should you vary your management strategy for individual employees?
(*Should you treat everyone the same?*)
- How do you build a cohesive and stable work team?

How This Module Can Help You

After completing this module, you'll be better able to:

- Focus more attention on the management function that will make the biggest difference in your department's performance and your job satisfaction.
- Provide appropriate leadership within your department, and in so doing encourage a sense of pride and commitment on the part of your employees.
- Build your personal credibility among your employees.
- Clearly articulate your performance expectations to your employees.
- Coach your employees in order to improve their job performance.
- Find appropriate and creative ways to reward individual and group performance.
- Correct inappropriate behavior while maintaining a positive and productive atmosphere.
- Select management strategies that are appropriate to each employee's level of competence, confidence, and commitment.
- Build a cohesive and stable team.
- Enjoy your job and take pride in your accomplishments as a manager.

Your Most Important Function as a Manager

Take a sheet of paper and write down what you do on a typical day. (*Think of a specific day like last Thursday.*) Please do it now, before you read any further.

OK. Do you have your list? Now go down the list and put a checkmark (✓) by those tasks that involve only you. Put a star (☆) by those tasks in which you work directly with one or more of the people who report to you.

Your list probably has many more checkmarks than stars. There undoubtedly are a variety of reasons for this. Of course, there are certain tasks that only you can do—although not as many as you might think. (*More about that later.*) Then there are the innumerable “fires” that you have to put out during the day—a critical part that wasn’t properly ordered, filling in for an employee who called in sick, etc.

And let’s face it, sometimes it’s simply faster to do something yourself, rather than trying to explain to someone else how to do it to—then having to redo it if/when they do it incorrectly. Such “urgent” tasks can consume your day. By the time you come up for air—forget having time for lunch—the day’s over and you still haven’t done any of the important but less urgent things like forecasting and planning, training your employees, reading the stack of paperwork about new programs and policies, etc.

“When you’re waist deep in alligators, it’s hard to remember you came to drain the swamp!”

— Sign in business owner’s office

“Most organizations promote employees into managerial positions based on their technical competence. Very often, however, these people fail to grasp how their roles have changed—that their jobs are no longer about personal achievement but instead about enabling others to achieve...”

— Carol A. Walker, President of Prepared to Lead, a management consulting firm, “Saving Rookie Managers from Themselves,” *Harvard Business Review*, April 2002, p. 98.

It’s easy to fall into this “activity” trap. However, it prevents you from fulfilling your most important function as a manager, which is developing the people who work under you—preparing them to do the tasks that you were able to do so well before you were promoted. After all, one of the primary goals in promoting anyone (e.g., *you*) to a management position is for that person to convey his or her technical competence to the people who report to him/her. The bottom line is that **management involves getting things done through other people**. Consequently, **helping the people who report to you be successful is your most important function as a manager**.

“Management’s goal should be to do everything in their power to help others be as successful as possible. Management succeeds only when the rest of the organization succeeds.”

— Glenn M. Bright, former IBM manager

How Do You Help People Be Successful?

Helping your people succeed involves a number of specific behaviors:

- Set and communicate expectations about how people should do their jobs (e.g., *“This is how we do things around here.”*). This includes how customers and coworkers are to be treated as well as how specific tasks are to be performed.
- Set and communicate expectations about group and individual performance.
 - Setting expectations about group performance might include things like setting the expectation that incoming telephone calls are to be answered by the second ring or that service technicians should be helped within 2 minutes of coming to the service counter. It also includes setting sales production goals for the department.
 - Setting expectations about individual performance might include development goals (e.g., *taking particular training courses and/or achieving particular certifications*) as well as specific production/sales goals.
- Measure performance against expectations and provide feedback to each employee about how he or she is doing. (*More about this later.*)
- Determine ways to improve individual and group performance.
 - For individuals, this might include arranging for training to overcome knowledge and/or skill deficiencies, providing on-the-job coaching by you, or mentoring by a more experienced coworker.
 - For the group, this might involve providing proper/better tools such as updated computer hardware and software, or making changes to the physical environment such as locating frequently-needed parts next to the service window. It could involve improving processes such as putting together parts “kits” that include necessary brackets and gaskets to speed up the process of pulling parts for specific repair jobs. It could also include removing obstacles such as policies and procedures that interfere with performance such as requirements that only you can approve certain returns, etc.
- Recognize individual and group achievements. (*More about this later.*)

What's in It for You?

Changing your focus from accomplishing individual tasks to helping your people be more successful will require a change in how you think and what you do during the day. It will require extra time and effort from you up front. Nevertheless, the benefits will be well worth the effort:

- Improving individual and group performance will improve your department's results.
- Providing targeted training will help employees avoid mistakes (*e.g., ordering errors*), which reduces the number of "fires" that you have to put out.
- Cross-training personnel will allow employees to fill in for each other so you don't have to.
- Developing the abilities of more experienced employees will allow them to mentor less-experienced employees.
- Developing employees' abilities to do some of the tasks that you currently do will allow you to delegate those tasks to them.
- Delegating tasks to others will allow you to spend your time on more challenging and rewarding tasks such as long-range planning.
- Providing a challenging and rewarding work environment will help you attract and retain quality employees.
- Developing a smoother running department will improve your job satisfaction.
- Preparing someone to take over for you will improve your promotability.

Training Your Replacement

As a manager, one of your goals should be to develop someone to replace you as the department manager. Doing so demonstrates your ability to develop others—a critical factor for someone being considered for upper management—and eliminates a potential obstacle to your promotion, i.e., the lack of someone who is qualified to take your place.

How Do You Find Time to Do the Important Things?

By this point, you're probably thinking, "This all sounds great, but how do I find the time to develop my people when my day is filled with putting out the fires you mentioned earlier?" That's a fair question.

The answer is to start out small. You can't change everything at once and developing people will take time. Here are some ideas to help you get started:

- Block out 30 minutes a day to work on your management tasks. Setting aside a specific block of time will help you focus on these other tasks. If you block out a specific time each day, people will learn to expect that you are otherwise unavailable during that time. Let's face it; there are very few things that can't wait a half an hour for your attention. If nothing else, start taking a working lunch. That way, you'll also get a chance to eat!
- Identify specific tasks that you can delegate and people who are capable of doing those tasks. Even if they aren't completely ready to do the tasks on their own, begin by working with them, during the time you have blocked out each day, so they learn how to do it.

Be an Effective Leader

Because of your position as department manager, your people look to you for leadership. So, what is “leadership”?

“Leadership is not the private reserve of a few charismatic men and women. It is a process ordinary managers use when they are bringing forth the best from themselves and others.”

— Glenn M. Bright, former IBM manager

What Is “Leadership” and How Is It Different from “Management”?

Many people use the terms “management” and “leadership” as if they were the same thing. They are not.

Leadership is a process of instilling a positive passion toward an endeavor. Just as we earlier looked at several behaviors involved in effective management, there are several behaviors associated with effective leadership:

- Establishing the core values by which an organization operates
- Creating and communicating a vision of what is possible
- Helping people feel that they are a part of something bigger than themselves—that what they do makes a meaningful difference

“Management tends to be concrete and practical; leadership tends to be visionary and emotional. Management is about helping people do their jobs better, while leadership is about instilling a passion for what people do. The results of effective management tend to be linear, while the effects of inspired leadership can be exponential. People who have a passion for what they are doing can accomplish amazing things.”

— M.D. Schmidt, *Building a Passionate Organization*

How Can You Become an Effective Leader?

We tend to think of leaders as being charismatic and dynamic individuals. However, there are many examples in everyday life of quiet people who lead by their example, a deeply held belief in the importance of what they do, and a vision of what is possible. In many cases, leadership is a matter of knowing what we stand for and communicating that to others.

Here are some concrete things that you can do to become an effective leader:

“A leader’s dynamic does not come from special powers. It comes from a strong belief in a purpose and a willingness to express that conviction.”

— James M. Kouzes and Barry Z. Posner,
authors of *Encouraging the Heart*

- Your employees should be proud of their association with Freightliner LLC, your dealership, and you. Identify the core values that you consider important and that you want your people to display in their dealings with others. These should include honesty and integrity in business dealings, a respect for each person, and a sincere desire to provide a service to others. Demonstrate your values by living them in your dealings with coworkers, customers, and most importantly, your employees. Talk about the importance of treating people the right way. This includes how you talk about people when they aren't present.
- Your people should be proud of their accomplishments as a member of your departmental team. They should believe that, as a team, they can accomplish amazing things. Set high standards for your department's behavior and high goals for its performance. While it is important for goals—especially individual goals—to be attainable, your department goals should embody your belief in what your people, as a team, are capable of—not merely what they have done in the past. Expect the best, and people will tend to deliver the best. This includes even mundane things like expecting inventory shelves to be clean and orderly, uniforms to be clean and neatly pressed, and paperwork to be complete and accurate. Once you've established a standard, don't let it slide—not even once!
- Constantly remind your people of the importance of what they do. This includes the impact of Freightliner LLC and its dealers on North American commerce—and the local business community. It also includes the important role that your department plays in the success of the dealership's service and sales departments in providing customers with cost-effective access to the parts and accessories that they need—when they need them. It's absolutely true that your parts and service departments play a critical role in protecting your customers' livelihood by keeping them on the road. Remind individuals of the vital contributions they make to the success of the department.

Even more than the upper management at your dealership, **YOU** set the tone for your department's ethics and optimism. It may sound “corny,” but your frequently stated belief in your peoples' values, abilities, and importance will be reflected in their belief in themselves—and you.

“Treat a man as he is and he will remain as he is. Treat a man as he can be and should be, and he will become as he can and should be.”

—Goethe, German philosopher

Build Personal Credibility With Your Employees

You build personal credibility by “walking your talk.” The leadership behaviors discussed in the previous section will have a tremendous impact on your personal credibility with your employees.

Tips for Building Credibility

Here are some additional tips for building your personal credibility with your employees:

- Set a good example by your personal attitude and work ethic. Hold yourself to the same or higher standard as you hold your employees. Be on time—better yet, be early—and be willing to pitch in to help when needed. (*Just don't make it a habit to try to do what other people should be doing!*) Make sure your uniform is clean and pressed and that your office is clean and orderly.
- Treat coworkers and employees with respect. As appropriate, ask others for their opinions when making decisions or trying to solve problems that come up. Handle conflict with other departments and with employees in a calm and professional manner. Focus on the issues and how to solve them rather than getting bogged down in personalities and ego. Do the same when correcting employee behavior.
- Treat customers with respect. Listen to what they have to say and be responsive to their needs. Use courteous terms when talking to and about them.
- Display a positive attitude about Freightliner LLC, your dealership, your department, and your job. Instead of complaining about circumstances, look for ways to improve them. Instead of focusing on problems, seek out solutions.
- Try to conduct yourself in a professional manner at all times. Avoid swearing, inappropriate comments, and off-color jokes and stories.
- Have a sense of humor. You can be demanding without being harsh and impersonal. Be willing and able to laugh at yourself when things don't go quite as you'd planned.
- When you make a mistake—and you will—admit it, apologize, and move on.

You Don't Have to Have All the Good Ideas

Keep in mind that, even though you are the manager, you don't have to have all the good ideas. Your employees can be a tremendous resource to you, if you will let them. Especially when looking for solutions to operational issues, employees' closeness to the situation—as well as their life experiences—may give them unique and helpful insights that you may miss. Ask for their input and listen carefully to what they have to say. Thank them for their input. If you use their ideas, provide appropriate recognition. If you don't use their ideas, explain why you chose the option that you did.

Nobody expects you to be perfect. However, they do expect you to be aware of what you do and how it reflects on your stated beliefs.

Hey, nobody said it would be easy!

Let Employees Know What You Expect of Them

The best way to let employees know what you expect of them is to tell them. While the statement is common sense, it may not be common practice. And, even if it was common practice, communicating your expectations is more difficult than you might think.

*“I know you think you
understood what I said, but I’m
not sure what you heard is what I
meant!”*

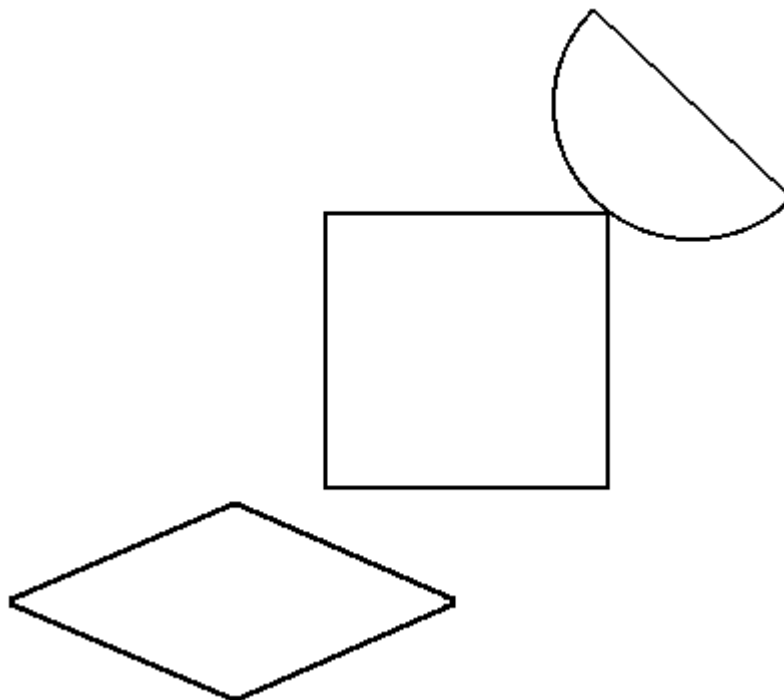
— Communication axiom

Communication is the process of sharing meaning. It involves much more than just being able to repeat the words that you have heard. Why? Because words mean different things to different people. Let me show you what I mean.

In the space below, draw what is described in the following instructions: Draw a square. Draw a half circle on the upper right corner of the square. About $\frac{1}{2}$ inch from the lower left corner and on the same plane as the bottom line of the square, place a diamond that is longer than it is tall.

After you have made your drawing, turn the page to compare what you drew to what was intended.

Here's what the author had in mind. How does your drawing compare?



Why We Have Trouble Communicating What We Mean

There are several reasons why what we say may be interpreted differently than we intended. The first is that we tend to make assumptions about what the other person knows or expects. The instructions on the previous page assumed that you knew the measurements I had in mind for the shapes and that I wanted the half circle balanced on the rounded side—not the flat edge—on the corner of the square.

The second reason for difficulty sharing meaning is that words have meaning for each of us based on our past experiences with them. Since our experiences differ, words literally mean different things to different people. Fortunately, there is generally enough similarity in our experiences that we can understand the general meaning. However, evaluative words like “good” (*as in good fuel economy*) or “difficult” (*as in it may be difficult to get the bolt off*) can be more problematic.

Two Types of Expectations

There are two types of expectations that you want to convey to your employees:

- **Process expectations** also known as **behavioral expectations** that tell employees **how** you want them to do their job (e.g., *how to greet a customer at the retail counter, questions to ask to determine any collateral needs/upsell opportunities when a customer buys a replacement part*).
- **Performance expectations** that indicate the results (e.g., *sales, etc.*) that you expect employees to generate.

What Does the Expected Performance Look Like?

The first step in setting expectations—especially process/behavioral expectations—is to know in your own mind what the expected performance looks like. This means being able to describe the expected behaviors and results as specifically as you can. Next, we'll look at some tips for helping you do just that.

Communicating Behavioral Expectations

When communicating process/behavioral expectations:

- Communicate your expectations in terms of behaviors that may be readily observed. *(Someone who observes the counterperson's interaction with a customer should be able to determine with certainty whether the person did or didn't do it.)*
- Describe what you want to observe rather than what you want to avoid. *(For example, your expectations should never begin with the word, "**Don't**.")*
- Avoid evaluative words and phrases as much as possible. *(For example avoid statements like, "Do a **thorough** job of determining if any collateral parts are needed.")*



CHECKPOINT:

Which of the following is the most effective example of a statement used to describe a behavioral expectation for greeting customers at the retail counter?

- Greet the customer promptly.
- Greet the customer as soon as possible.
- Greet the customer within 30 seconds of approaching the counter.

**CHECKPOINT ANSWER:**

Choice “C” (*Greet the customer within 30 seconds of approaching the counter.*) is the most effective example of a statement used to describe a behavioral expectation for greeting customers at the retail counter. It clearly describes what you want the person to do and an observer would easily be able to determine whether the counterperson did or did not do it.

Here’s an example of behavioral expectations relating to selling a replacement part to a customer:

- Look at an illustration of the part and any related assembly to identify any collateral parts, gaskets, lubricants, or fasteners that may be needed.
- Ask the customer about each of the collateral parts to determine if any are needed.
- As appropriate, explain why the collateral parts should be replaced when the part is replaced.
- When you have finished, confirm with the customer everything that he or she has requested.

Performance Checklists are an effective way to convey your behavioral expectations to employees and to provide coaching to an individual after you have observed their interaction with a customer or coworker. On a Checklist, the desired behaviors are indicated by questions that may be answered “Yes” or “No.”

The next page contains an example of what such a checklist might include for an interaction between a counterperson and a customer at the retail counter. Of course, the example is for purposes of illustration only; it is up to you to identify the sorts of processes for which Performance Checklists may be needed. For each process, you would then need to identify your behavioral expectations and develop an appropriate checklist that reflects your expectations.

Performance Checklist Customer at Retail Counter

Did the Counterperson...	Yes	No
Greet the customer within 30 seconds after he or she approached the counter?		
Greet the customer with "Good morning!" or "Good afternoon!" as appropriate?		
Ask how he or she could help the customer?		
Listen without interruption as the customer explained what he or she needed?		
If needed, ask for a part number?		
If needed, ask for the year, make, and model of the truck or related component?		
If needed, show the customer an illustration of the part and related assembly to confirm the correct part?		
Look at an illustration of the part and any related assembly to identify any collateral parts, gaskets, lubricants, or fasteners that may be needed?		
Ask the customer about each of the collateral parts to determine if any were needed?		
As appropriate, explain why the collateral parts should be replaced when the part is replaced?		
Confirm with the customer everything that he or she requested?		
Complete the parts transaction (<i>e.g., parts invoice or special order</i>) required?		
Gather the requested parts for the customer within 5 minutes?		
As appropriate, ask the customer if he or she needed assistance carrying the parts to his or her vehicle and then provide any needed assistance?		
Direct the customer to the cashier to pay for the parts?		
Thank the customer for his or her business?		

Communicating Performance Expectations

When communicating performance expectations:

- The performance expectations must be very specific and measurable. *(For example, increase retail counter sales by 10% over last year's performance.)*
- The performance expectations must be achievable. *(See the box on this page for an example of how unrealistic expectations may actually be de-motivating.)*
- If possible, the performance expectations should be determined in collaboration with the person for whom the expectations are being established. *(This aids buy-in and commitment.)*

Why Performance Expectations Should Be Achievable

This is a true story about three friends who decided to take a drafting class in high school during their sophomore year. The three attended a small school in a rural area, so first-year, second-year, and third-year drafting students all attended class in the same classroom with the same instructor at the same time. Their high school divided the year into trimesters, so they had the opportunity to track their performance over three grading periods.

The instructor explained that grades would be determined by the quantity and quality of the work completed. At the end of the first trimester, the first student got a "C." The second student, who was more meticulous than the first, but who completed less work got a "C." The third student who was faster but less careful than the first two also got a "C."

The three really applied themselves during the second grading period and all improved in both the quality and quantity of work done. However, when the grades were distributed, once again each received a "C." Then by chance, the three friends were talking to a junior who was a second-year student and found out that he had received a "B." When they checked with the sole senior third-year student, they discovered that he received an "A" despite the fact that he frequently skipped class and was generally disruptive to the other students. Suddenly, the real grading scheme became clear. The three sophomores did very little that third grading period because it had become clear that no matter how hard they tried, they would still be sophomores when grades came out. Despite their lack of performance, they all received—you guessed it—a "C."

The story illustrates the problem with setting expectations that are unreachable. Once people figure out that there's no way to meet your expectations, motivation plummets. Not one of the three friends took drafting the next year.

The Importance of Having High Expectations of Your Employees

The fact is that your employees will tend to rise or fall according to the level of your expectations of them. So, while it is necessary that your expectations be achievable, it is equally important that you have high expectations of your employees' performance. Research and practical experience both indicate that high expectations result in high performance.

The Pygmalion Effect

In 1965, Dr. Robert Rosenthal, Ph.D., a professor of Sociology at the University of California, Riverside, conducted an experiment with elementary school teachers in San Francisco. At the beginning of the school year, half of the teachers in the study were told that the students in their classes had been identified as having higher than normal ability based on tests that had been conducted. The other half (the control group) was told that their students had a normal distribution of ability. Sure enough, at the end of the school year, the children taught by those teachers who believed their students had higher ability scored significantly higher on a standardized test than the students in the control group. In reality, however, there was no difference in the abilities of the students in the "high ability" and "normal" classes. The difference in performance was clearly the result of the way the students were treated by their teachers because of the teachers' higher expectations of them. Specifically, the teachers were more approachable; they spent more time explaining assignments; they gave the students more opportunity to ask questions and gather information; and they provided more feedback about what the students did well and what they could do to improve. This phenomenon, known as the Pygmalion effect after a character in Greek mythology, has since been demonstrated in other settings, including vocational training (e.g., welding) classes. In the welding example, vocation students whose instructors were told that they had a high aptitude for welding learned the fundamentals of welding in half the time, scored 70 points higher on a standardized welding test, and were even absent less!

— *The Pygmalion Effect* (3rd Edition):
 "Managing the Power of Expectations" (video), distributed by CRM Learning

The Expectation Cycle

Dr. Rosenthal identified what he calls the expectation cycle:

1. We form expectations of others.
2. We communicate our expectations through what we say and how we behave toward them.
3. People adjust their behavior to match our expectations.
4. Our expectations come true.

Keep in mind that the expectation cycle works for both positive and negative expectations. If we have high expectations, people tend to perform better. If we have negative expectations, they tend to perform worse.

Implementing the Expectation Cycle With Your Employees

Here are tips for implementing the expectation cycle with your employees:

- Be approachable. Encourage your people to come to you with questions and ideas.
- Take the time to explain job assignments thoroughly. Provide the level of detail needed by the employee, realizing that some people want only the barest overview, while other—equally bright—people need a lot of information.
- Allow your employees to come to you with follow-up questions and to check that they are on the right track.
- Provide regular feedback to your employees. Be specific about what they are doing well and what they can do to improve.

The bottom line is that you should continually remind your people that you expect much of them because you believe they have great ability.

Nonverbal behaviors are especially important in conveying your expectations. Research by communication scholars indicates the following breakdown in how meaning is communicated during an interaction between two people:

- 7% through the **words** we say
- 38% through our **voice**
- 55% through our **body** (*e.g., facial expression, body posture, and gestures*)

While the words convey much of the intended content of an interaction, the nonverbal behaviors tell us a great deal about the relationship between the two parties, including liking and respect. In fact, if we detect a discrepancy between the words someone says and their nonverbal behaviors (*e.g., sarcasm*), we tend to believe the nonverbal behaviors. Consequently, you should pay particular attention to how you convey what you say. Your tone of voice should indicate patience and confidence. Maintain eye contact with people when you talk to them and when they talk to you. Smile and nod your head to encourage others to speak. Pause after you ask a question to allow people time to think before answering. Face them and lean forward to indicate that you are listening to them. And, maintain an open and relaxed body posture.

The figures on the following page demonstrate just how much difference nonverbal behaviors can make.

Only the eyebrows and mouths are different on the “Smiley Faces” below, but the emotions conveyed are entirely different.



Coach People to Improve Their Performance

One-on-one coaching is one of the best tools you have to reinforce your expectations and improve individual performance. It requires that you observe the person being coached in one or more interactions and then provide feedback about what you saw. A Performance Checklist is particularly helpful in noting what you observed and organizing your feedback.

Keep in mind that virtually all employees want to do a good job. Conduct your coaching sessions as a discussion among professionals with a common goal.

Coaching Process

Here's a suggested coaching process. As you will see, the process emphasizes positive feedback and reinforcement. Even corrective feedback is provided in a positive way.

1. Observe the behavior. Provide feedback as soon as possible after your observation so the interaction is still fresh in your mind and that of your employee.
2. Ask the employee to tell you what she thinks she did well. Then ask her to tell you what she could do to improve her performance. This will help employees develop their ability to evaluate themselves. *(In fact, if you use Performance Checklists, it's a good idea to make sure that employees have copies of them for self-evaluation purposes.)*
3. Provide your feedback. Begin by talking about what the person did that was effective. Describe the specific behaviors that you observed and why you thought they were effective. Encourage the person to continue with the effective behaviors. Then describe what the person could do to improve her performance. Be specific and provide examples. Explain how the behaviors that you are suggesting would improve the interaction and outcome. In general, it is more effective if you focus on only a few suggestions for improvement at a time. A good rule of thumb is to provide three times as much reinforcing feedback (*i.e., what the person did well*) as corrective feedback (*i.e., ways to improve*)—a ratio of 3 to 1. It's also less threatening to the person receiving the feedback if you use the terms "more effective" and "less effective" to describe the behaviors that you observe rather than "good" or "bad."
4. As appropriate, discuss the steps the employee will take to improve her performance and agree on a time when you will follow-up to check the person's progress.
5. Remind the person again of the things she does well, the progress she is making, and her importance to the department team.

Goals + Feedback = Results

Research indicates that when goals and feedback are combined, they produce additional effort and extraordinary results. Goals alone or feedback alone has no net effect on performance.

— James M. Kouzes and Barry Z. Posner,
authors of *Encouraging the Heart*

Positive Versus Negative Reinforcement

It's clear that feedback and reinforcement are important. However, if you're like most of the rest of us, you probably could have done without a lot of the "reinforcement" that you've gotten during your lifetime. Why? Because it was negative in both its tone (*loud and threatening or sarcastic*) and content (*"You messed up—again!"*). This is what we are referring to when we use the term, "negative reinforcement"—behaviors that attempt to change "poor" performance by punishing it.

The fact is that even though negative reinforcement is common, it is much less effective than positive reinforcement. That's because the results of negative reinforcement are unpredictable. The person receiving the negative reinforcement merely wants to avoid such consequences in the future. That can be accomplished in a number of ways, including changing the behavior that led to the negative consequences (*the desired outcome*) or simply avoiding the situations that led to the behavior that led to the negative consequences (*an unexpected outcome*). For example, an employee who is chastised for improperly completing a report may simply avoid doing such reports in the future instead of learning how to do it properly.

The results of positive reinforcement, by contrast, are very predictable. Since positive reinforcement is pleasant and reinforces the individual's self-esteem, the individual will want to receive more of it. Consequently, the person will tend to repeat the behaviors that led to the positive reinforcement, resulting in a self-reinforcing cycle. Positively reinforcing even small improvements will result in additional improvement being made in the future. Ultimately, the person is performing as expected because he or she wants to!

The Best Way to Reward Good Performance

What gets measured gets done; what gets recognized gets done even better.

— Glenn M. Bright, former IBM manager

Rewards are a concrete expression of positive reinforcement. However, too often we tend to think that rewards need to be monetary—or at least expensive. Both research and experience demonstrates such is not the case. The most important aspect of giving a reward to an employee is the recognition that is involved. There is symbolic value in the act of presenting the reward to the employee in front of his or her peers.

Tips for Rewarding Performance

There is no single answer to the question, “What’s the best way to reward good performance?” Here are some tips for you to consider:

- Rewards should vary, depending on the personality and interests of the person being rewarded and the nature of the accomplishment. *(For example, a dinner for two at a nice restaurant for an employee and his or her spouse might be an appropriate reward for someone who has had to put in a lot of long hours and late nights.)*
- Rewards should be consistent with the values and priorities of your department. Use rewards to keep the people in your department focused on the results that you want to achieve. **Never** reward performance that is achieved at the cost of inappropriate behavior.
- Reward achievements as soon as reasonably possible after the event. *(For example, some managers always carry a supply of quality pens with company logos to give to employees who are caught in the act of “doing something right.” Managers have also been known to give their own personal pen as an impromptu reward to an employee for an exceptional act that they observed.)*
- Develop your own traditions and icons for rewarding performance. *(Even something “silly” like a “Golden Bolt” award can come to have a great deal of symbolic value over time.)*
- Above all else, rewards should be simple, sincere, and personal. *(For example, a simple but sincere “Thank you” from you presented in front of coworkers can make a big impact. The “Thank you” should mention the value of the act to the department and the dealership.)*

For Your Library...

Here’s a book that is filled with ideas for ways to reward employees: Rob Nelson, *1001 Ways to Reward Employees*, Workman Publishing, New York, 1994.

Correct Inappropriate Behavior

Unfortunately, in any organization, situations arise in which you need to correct inappropriate behavior. Such behaviors should be dealt with as soon as you become aware of them. Letting such behaviors continue until a “blowup” occurs leaves everyone uncomfortable and ill at ease. In most cases, handling such situations in a firm but tactful manner is all that is required. *(Of course, serious matters may require that you involve your General Manager or Dealer Principal.)*

When handling such situations, it is important that you make a distinction between the action and the actor. Remember, it is the action that is at issue—not the person.

Correcting Inappropriate Behavior

When confronting an employee about inappropriate behavior that needs to stop:

1. Handle the situation as soon as you become aware of it.
2. Call the employee into your office or other private location where others can't hear what is being said.
3. Tell the employee that you want to discuss some behavior that you consider inappropriate and that needs to stop.
4. Let the employee know that you value him or her. It's the behavior that you disapprove of.
5. Describe the specific behavior that you want to stop. Use “I” statements when describing what you've observed. *(For example, “I've noticed that you've been...”)*
6. If necessary or appropriate, e.g., in the case of safety concerns, explain why you want the behavior to stop. Once again, use an “I” statement to explain your concerns. *(For example, “I'm concerned that someone might get hurt.” Or, “I'm concerned about the effect the behavior is having on the morale of the rest of the people in the department.”)*
7. Ask the employee for their commitment to stop the behavior. *(For example, “Can I count on you to...?”)*
8. After gaining the employee's commitment to stop the behavior, remind the person that he or she is a valuable member of the department team and that you're glad you were able to resolve the issue.

*Praise in public; correct
in private.*

— Management axiom

Vary Your Management Strategy for Individual Employees

We tend to think that, in order to be “fair,” we need to treat everyone in the same way. While it is true that you need to respect and value each person equally, the reality is that you should vary your management approach for each person according to his or her development needs. Just as you wouldn’t use the same tool for every repair job, you shouldn’t use the same management strategy for each employee.

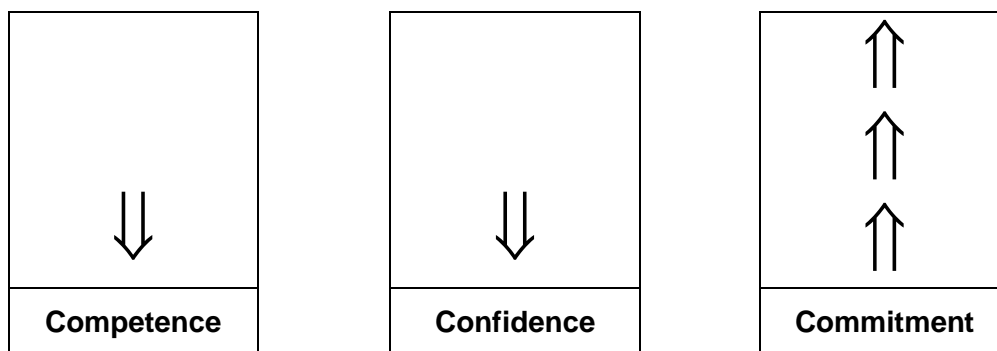
Competence, Confidence, and Commitment

Your choice of management strategy should be based on three considerations—the employee’s levels of:

- Competence—their technical knowledge and skill
- Confidence—their willingness to assume responsibility for their own actions and decisions
- Commitment—to you and the dealership, including their willingness to do what you ask them to do

Based on each employee’s level of competence, confidence, and commitment, you would select one of the following management strategies:

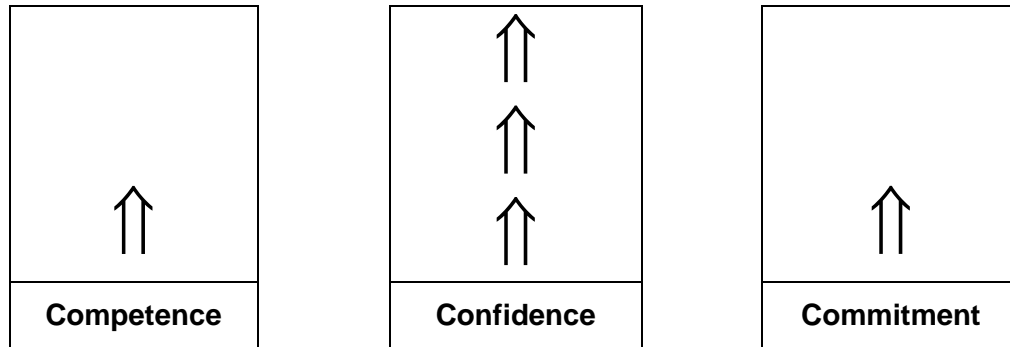
Telling



Telling is the recommended strategy for someone who is new to your dealership and new to the parts business. Typically, such a person will have relatively low competence, low confidence, but high commitment to do what you ask him or her to do.

This strategy involves explicitly telling the employee what you want done and how you want it done.

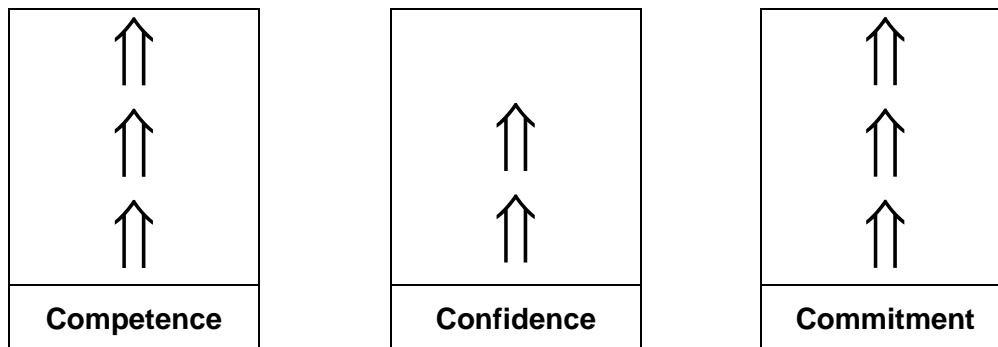
Selling



After a person has gained some experience at a job, it often happens that the person's confidence exceeds his competence—i.e., he thinks he knows more than the boss. Competence is increasing, but confidence is very high and the person's willingness to do what you ask has dropped. This is common with employees who have been employed with you for 6 or 7 months, who are bright, and who have performed well in a limited capacity. It also can happen when you hire someone who has been employed by another dealership—especially if things were done differently at the other dealership.

This situation calls for a Selling strategy. In such cases, you need to go beyond telling the person what you want done and how you want it done, to explain *why* you want it done that way.

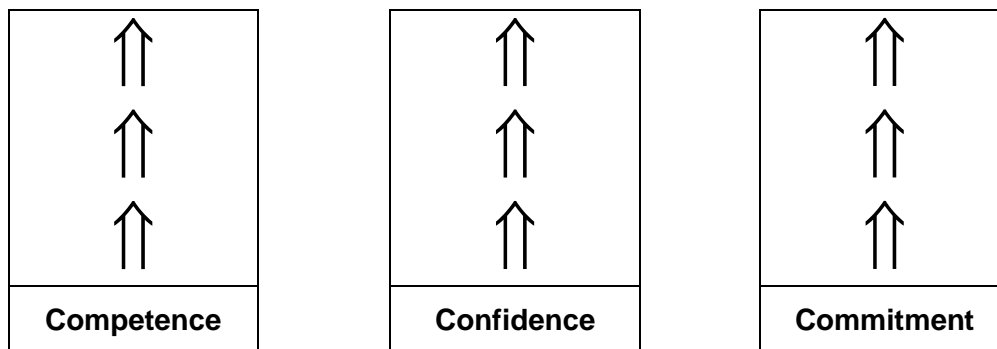
Participating



The Participating strategy is for use with employees who have proven themselves over time and whom you want to prepare to take on greater responsibility. Because of their experience, these people are likely to have high technical competence and to enjoy their job. However, they may lack the confidence to take on new responsibilities.

For these people, the Participating strategy involves you providing direct and ongoing support for them as they take on new responsibilities. You should meet regularly with these people to discuss the decisions that they make about how to perform their responsibilities. This is a classic case of coaching. Begin by asking how they think they should handle the situation and then provide your input as necessary. Of course, you should continue to check their progress as they implement their plan. Let them know that you are available to support them if the need arises.

Delegating



Delegating is the strategy to use with people who are ready to work independently of you. They are supremely competent—and may well be able to do their job better than you could. They have high levels of confidence and are very committed to their career and the dealership.

Delegating involves giving these people an assignment and leaving the means entirely in their hands. They are their own managers. In fact, these are the sorts of people whom you will cultivate to fill your position when you are promoted.

“Giving someone the freedom to take responsibility releases resources that would otherwise remain concealed.”

— Jan Carlzon, former President of SAS
(Scandinavian Airways)

What Do You Do When Situations Change?

People’s situations change and you need to be ready to adjust your strategy as appropriate when that happens. For example, someone who is at the Participating level at one dealership may need to spend some time at the Selling level if they move to a different dealership. Someone who is at the Delegating level in terms of his or her accustomed job function, may have to start at the Telling Level in a new job function. Of course, personal problems and performance issues may temporarily affect an employee’s confidence, requiring a change in strategy on your part.

Management By Walking Around (MBWA)

Management By Walking Around (*MBWA*) refers to the management practice of staying in touch with your employees and your customers by spending time among them. Watch your employees and customers interact and listen to what they have to say. Doing so allows you to keep your hand on the pulse of your department and the management needs of your people.

Build a Cohesive and Stable Work Team

Building a cohesive and high-performing team is critical to the long-term success of your department.

A Sense of Community Improves Performance

According to Kouzes and Posner in Encouraging the Heart, employees who have a sense of community perform at higher levels than those who feel isolated.

— James M. Kouzes and Barry Z. Posner, *Encouraging the Heart*

Tips for Building a Cohesive and Stable Team

- Set ambitious department goals and encourage department members to work together to achieve those goals. Avoid individual competitions that pit departmental members against each other.
- Nurture the attitude that the department is one of the premier parts departments in the Freightliner LLC organization.
- Have weekly team meetings to share information and to discuss/resolve issues that arise. Consider scheduling “coffee and doughnuts” meetings before business hours at a local restaurant, if your employees can commit the time.
- Be the “champion” of the department’s values and goals. Maintain the focus on department values and goals, despite the inevitable distractions and daily demands.
- Set up a program in which department members nominate other department members for special recognition based on their work performance and/or special assistance that they provide.
- Set up a mentoring program in which more experienced department members assist in training less experienced members.
- Create departmental Quality Improvement Teams (QITs) to address departmental issues that arise (e.g., *ways to improve stocking procedures, cleaning/painting the department*).
- Establish interdepartmental QITs to address issues that cross departmental boundaries (e.g., *invite one or two service technicians to join a QIT assigned to find ways to improve service at the back counter, or invite one or two salespeople to join a QIT to improve service to the sales department, etc.*).
- Encourage group activities outside of work (e.g., *a department/dealership baseball team*).
- Schedule department events once or twice a year that include family members (e.g., *a summer picnic*).
- Put on departmental events to which the rest of the dealership is invited (e.g., *host a dealership party during the holidays*).

Summary

Your employees are your department's most valuable assets. They are on the front lines with customers every day providing services, selling products, and increasing customer satisfaction with your business and the brands you represent. Your employees can significantly develop—or severely damage—the relationships that customers have with your dealership.

As a manager, have an opportunity to help your people grow as individuals and develop as parts professionals. As a leader, you can instill in them a passion for their work and pride in their association with you, your dealership, and Freightliner LLC by helping them recognize the importance of what they do.

This course provided insights and practical tips for accomplishing both management and leadership functions, including:

- How to find time to accomplish your most important function as a manager
- How to be an effective leader
- How to build personal credibility with your employees
- How to communicate your expectations to employees
- How to coach employees to improve their performance
- How to reward good performance
- How to correct inappropriate behavior
- How to vary your management strategy, depending on employees' levels of competence, confidence, and commitment
- How to build a cohesive and stable work team

Implementing the ideas in this course will add to your professional success and personal satisfaction as a manager. Now it's up to you to make it happen.

Good luck!

Certification Questions

1. What is your department's most valuable asset?
 - a. The facility in which it is housed
 - b. Its parts inventory
 - c. Its employees
 - d. The cash flow that it generates
2. Which of the following is your most important function as a manager?
 - a. Monitoring the financial performance of the department
 - b. Helping employees be successful in their jobs
 - c. Coordinating with other department managers
 - d. Setting a good example
3. Your success as a manager is most dependent on which of the following?
 - a. Your ability to get things done through others.
 - b. Your ability to personally perform every task in your department
 - c. Your ability to forecast departmental performance
 - d. Your ability to develop effective merchandising programs
4. Which of the following is NOT a behavior that will help employees be successful?
 - a. Setting and communicating expectations about how to treat customers and coworkers
 - b. Measuring performance against expectations and providing feedback
 - c. Recognizing individual and group achievements
 - d. Setting performance objectives that are just out of employees' reach
5. True or False: One of your goals as a manager should be to develop someone to replace you as the department manager.
 - a. True
 - b. False
6. When providing feedback to an employee, what should be the ratio between reinforcing feedback and corrective feedback?
 - a. 1 to 1
 - b. 2 to 1
 - c. 1 to 2
 - d. 3 to 1
7. Which of the following is the best way to get a person to perform up to his or her potential?
 - a. Point out any performance that is not up to the person's potential.
 - b. Treat the person as if he or she is already performing at that level.
 - c. Challenge the person by saying you don't think he or she can do it.
 - d. Offer to reward the person if his or her performance improves.

8. An employee is able to repeat the specific words that you used to convey your expectations of his or her performance. Does this demonstrate that he or she understands your expectations?
 - a. Yes. If the person is able to repeat your words, it demonstrates that he or she clearly understands your expectations.
 - b. No. If the person is able to repeat your words, it merely indicates that he or she heard what you said—not that the person understood what you meant.
9. What two types of expectations do you want to convey to your employees?
 - a. Process and professional expectations
 - b. Process and performance expectations
 - c. Process and behavioral expectations
 - d. Performance and professional expectations
10. Which of the following is the most effective statement of a behavioral expectation?
 - a. Greet customers promptly when they approach the parts counter.
 - b. Greet customers within 30 seconds of approaching the parts counter.
 - c. Greet customers as soon as possible after they approach the parts counter.
 - d. All are equally effective.
11. Which of the following is the most effective statement of a performance expectation?
 - a. Increase sales by 10% over last year's performance.
 - b. Significantly increase counter sales.
 - c. Increase retail counter sales by 10% over last year's performance.
 - d. Significantly increase retail counter sales by the end of the fiscal year.
12. Which of the following statements best summarizes the "Pygmalion Effect"?
 - a. People perform better if they feel they have some control over their environment.
 - b. People perform best if they are given regular feedback.
 - c. People perform best if they don't feel pressured by high expectations.
 - d. People perform to the level of our expectations of them.
13. An employee recently hired away from a competitive dealership is questioning the way certain things are done in your department. Which of the following management approaches is indicated?
 - a. Telling
 - b. Selling
 - c. Participating
 - d. Delegating

14. You have asked an employee to take on added responsibilities. You meet regularly with the person to answer questions she has and to discuss how she proposes to do things. This is an example of which of the following management approaches?
- a. Selling
 - b. Delegating
 - c. Telling
 - d. Participating
15. Which of the following is the best example of effective management?
- a. You personally show a new employee how to do his job.
 - b. You tell a new employee to watch how the more experienced employees do their jobs and to do what they do.
 - c. You assign a more experienced employee to mentor a new employee.
 - d. You allow a new employee to make his own mistakes and learn from them.
16. In which of the following set of circumstances is a "Telling" management approach called for?
- a. The employee has low competence, confidence, and commitment.
 - b. The employee has high competence and commitment but low confidence.
 - c. The employee has low competence and confidence but high commitment.
 - d. The employee has moderate competence, high confidence, and low commitment.
17. Which of the following will be the most effective way to reward an employee's exceptional performance?
- a. Give the person \$50 cash.
 - b. Give the person a certificate for dinner for two at a nice restaurant.
 - c. Give the person a dealership jacket with their name embroidered on it.
 - d. There is not enough information to decide.
18. A loyal and experienced employee is becoming bored with his job. Which of the following management approaches would be most appropriate for this person?
- a. Delegating
 - b. Selling
 - c. Participating
 - d. Telling
19. A long-term experienced employee is going through a divorce. Although he is accustomed to working independently, he has seemed tentative about making job-related decisions lately. What should you do?
- a. Use a "Telling" approach; make decisions for the employee.
 - b. Use a "Selling" approach; explain why you need him to "buck up" and do his job.
 - c. Use a "Participating" approach; discuss job-related decisions with the employee.
 - d. Use a "Delegating" approach; let the employee work his way through the situation.

20. From a management perspective what is the primary problem with negative reinforcement?
- a. Its results are unpredictable.
 - b. It can harm employee morale.
 - c. It can harm employee self-esteem.
 - d. It reduces your credibility with employees.
21. When providing coaching after observing an employee interact with a customer, which of the following should you do first?
- a. Discuss steps to improve performance.
 - b. Ask the employee to tell you what she thinks she did well.
 - c. Provide corrective feedback.
 - d. Provide reinforcing feedback.
22. According to Kouzes and Posner, what is the relationship, if any, between goals, feedback, and performance?
- a. Goals with or without feedback have the greatest net effect on performance.
 - b. Goals and feedback combined have the greatest net effect on performance.
 - c. Feedback with or without goals has the greatest net effect on performance.
23. Communication scholars estimate that ____ of our meaning is communicated through our body language?
- a. 7%
 - b. 38%
 - c. 45%
 - d. 55%
24. True or False: Corrective feedback and negative reinforcement are the same thing.
- a. True
 - b. False
25. Which of the following is not a behavior associated with effective leadership?
- a. Establishing core values by which an organization operates
 - b. Creating and communicating a vision of what is possible
 - c. Providing strict guidelines for professional conduct
 - d. Helping people feel that they are a part of something bigger than themselves