

**Human Resource Management**

## **Discipline Without Punishment —At Last**

by David N. Campbell, R.L. Fleming, and Richard C. Grote

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It was a particularly nasty incident involving a foreman that triggered Tampa Electric Company's decision to switch to a nonpunitive approach to discipline. The labor relations manager recalled the 1977 confrontation between the foreman and a lineman this way: "The lineman's confrontational behavior caused the working foreman to grab the lineman by his shirt collar and shake him severely. This is unacceptable behavior for a working foreman, and he was suspended for 13 days. I had no choice under the existing policy but to support that suspension, but I never felt good about it. All I did was penalize an employee and his family; I did not change his behavior in any way. I believe he would have done the same thing again. I forced compliance, but he will still believe the company was wrong."

His prediction was accurate. Five months later another disciplinary situation arose with the same foreman. The previous suspension had proved ineffective in improving behavior.

The labor relations manager's frustration with the company's punitive approach resulted in a search for an alternative. The organization wanted a system that provided consistency, fairness, and lasting corrective measures without resorting to punishment. In September

1979, the production operations and maintenance groups replaced the old approach with a nonpunitive system for a one-year trial period. By January 1981, the new system was in effect companywide. The pilot project, which covered 1,000 employees, grew to include nearly 3,000.

After the program had been in place in production operations and maintenance for about a year, Tampa Electric surveyed the 100 managers and supervisors in the affected departments. All but 2 not only agreed that the program should be continued but also recommended its expansion. “When you get 98 out of 100 managers agreeing on anything,” one senior executive commented, “you know you’ve got something that’s very successful.” Shortly thereafter, Tampa Electric expanded its nonpunitive approach to all operating, service, and administrative departments.

Since the program was adopted companywide in January 1981, Tampa Electric reports only favorable results: more effective and accepted disciplinary measures, fewer successful unemployment compensation claims after employees have been terminated, less absenteeism, and fewer arbitrations. In fact, in 1982, *no* union grievance proceeded to arbitration.

The decline in absenteeism alone resulted in sizable financial savings for the company. Sick time usage in maintenance and production operations dropped from an average of 66.7 hours in 1977 to 36.6 hours in 1983. In one operating department, the average use of sick time per employee dropped from 58.8 hours to 19.5 hours per year in five years. Based on a 1983 average wage rate of \$11.78 per hour, this reduction in sick time use saved the company \$439,404, or 1.38% of the 1983 payroll—the equivalent of having 18 additional people on the job.

Tampa Electric’s experience with its nonpunitive system was best captured by the words of a long-term supervisor who expressed relief over the elimination of the unpaid suspension. “I’ve never yet seen a

guy come back from an unpaid suspension,” he said, “feeling better about his boss, his job, the company, or himself.” (See the insert, “Similar Results in Dissimilar Organizations,” for more information.)

### **Similar Results in Dissimilar Organizations**

Many organizations that have adopted a nonpunitive system have found results similar to those at Tampa Electric. The ...



### **Resistance & Acceptance**

Twenty years after its introduction, a growing number of companies are finally moving to implement John Huberman’s “discipline without punishment” approach.<sup>1</sup> Five reasons explain why it has taken so long for the new system to gain acceptance.

*1. No perceived need.* Throughout the 1960s and much of the 1970s, existing approaches to discipline were perceived as adequate, if imperfect. In the industrial sector of the economy, the traditional disciplinary series of warnings and suspensions was comfortable and familiar; managers didn’t expect to bring about behavioral change and commitment to the organization’s goals. In the professional and technical sector, organizations tended to discount the need for a formal discipline system. Formal disciplinary action was somehow seen as inappropriate for this more sophisticated, better educated portion of the work force; problems were as likely to be avoided as confronted.

Today, the old standard is not good enough. Pressures for quality and productivity demand a work force committed to meeting organizational goals and requirements. Companies are implementing

nonpunitive discipline systems as a strategy to build commitment and productivity.

2. *Understanding “corporate culture.”* Until recently, few companies recognized or cared whether they had a corporate culture that influenced the collective behavior of its members. Discipline was not perceived as a reflection of culture—represented, for example, in the idea of a well-disciplined organization. Rather, discipline was merely something “done to someone” in response to misbehavior. With the new interest in a company defining its corporate culture, however, has come recognition of the way discipline defines the relationship between managers and workers.

3. *Lack of an effective implementation process.* Huberman’s 1964 article merely suggested replacing a series of punitive steps with a series of nonpunitive steps. But simply renaming the steps has little impact on the day-to-day behavior of supervisors confronted with employee misbehavior. For an organization to change its approach to discipline, it has to review and reevaluate its entire approach to performance management. With more experience, managers have found methods to use in moving an organization from the old style to the new one.

4. *Changing work force values.* At the time Huberman introduced his approach, the “baby boomers”—the huge population born between 1946 and the mid-1960s—had not yet entered the work force. The traditional values of hard work, diligence, obedience to authority, and self-discipline still prevailed. Today, with approximately 48% of the work force consisting of people born between 1946 and 1964, managers have to deal with employees who grew up in an era that spurned discipline for permissiveness, rejected authority figures, and insisted on immediate gratification and participation in decision making. When managers today complain that the “new breed” is different, they’re right.

Moreover, baby boomers not only make up the great majority of young employees in an organization, but also “senior boomers,” in their middle and late thirties, are now assuming positions of authority

where they are required to set disciplinary standards. In their new tasks, many continue the unconventional attitudes and approaches they brought with them to the organization.

*5. Changing perceptions.* Twenty years ago, discipline was perceived as a distasteful task best left to line supervisors and the labor relations department. Discipline did not deserve senior management's attention.

Because of the tremendous increases in wrongful termination suits and challenges to disciplinary action by outside third parties, discipline has assumed a more significant place on the corporate agenda. Senior managers are recognizing that the traditional approach to discipline is out of alignment, both with other human resource systems and, more important, with most of our beliefs about the worth of the individual and the best ways to manage human resources.

These five factors have contributed to the increasing interest in and introduction of nonpunitive discipline systems in a variety of organizations. As a result, the purpose of the disciplinary transaction has changed from a punishment meted out in response to a violation to a process that requires individuals to accept responsibility for their own behavior, performance, and continued participation in the enterprise.

## **The Discipline Dilemma**

Few systems in American organizations seem more accepted yet less productive than the old-line "progressive discipline." In the desire to enforce rules in the work force, organizations frequently act in ways that prevent real self-discipline. Consider:

- In a plant of a major food-processing company, disciplinary problems became so severe that in a space of nine months, managers fired 58 of the 210 employees. Supervisors eagerly wrote up infractions with the intent of running off "troublemakers." The

atmosphere turned poisonous; obscene messages began appearing in the plant's products.

- A Midwestern office-furniture manufacturer, responding to demands from supervisors for a consistent discipline system, concocted a point scheme that rated the seriousness of every conceivable disciplinary offense. An employee accumulating 200 points earned a written warning; an employee accumulating 350 points in a 12-month period earned automatic termination. Supervisors passing workers loitering by the time clock called out, "That'll cost you 25!" Every disciplinary action was grieved; "point shaving" was commonplace.
- A glass factory's system made final action an unpaid suspension, the length to be determined by the facts of the case and the employee's record. An employee who had previously been suspended for one day would be suspended for three days for repeating the offense; a five-day suspension might be ten the next time. A frustrated personnel manager complained of one individual who was now on his fifth suspension—this time for one month—and admitted that when he returned he would be no better than when he left. "What should we do next?" he asked. "Suspend him for a year?" In the meantime, production was disrupted as less-skilled employees had to fill in. Overtime increased, and other employees kidded the supervisor about how they too would like a month's "vacation."
- A middle manager in a fast-growing high-tech company was disturbed by a senior engineer's performance. A long-term employee, the engineer demonstrated his apparent resentment of younger colleagues by leaving work early, disregarding deadlines, and producing second-rate work. The manager, asked if he had talked to the engineer about the situation, replied, "No. I know I should, but I hate that kind of confrontation. I'd really like to give him a written warning, but that's only for factory types."

These examples illustrate the dilemma of discipline. Attempts to establish a disciplined environment by using a traditional approach cannot produce employees who are committed to the goals of the company and the policies and rules by which it operates.

Other problems abound. Supervisors resist and resent a discipline system in which they suffer more pain than do the employees on the receiving end. Simply from doing their job, supervisors may face apathy, hostility, reduced output, and an uncomfortable personal relationship with a subordinate.

Old-line approaches require the supervisor to play the heavy and wear a black hat. By definition, the job demands that he or she write up, suspend, place on probation, or deliver a “final warning” to members of the work group. Because they consider it an obstacle to developing a professional image, most supervisors today avoid this role.

Not only do they catch flak from below but supervisors also discover that maintaining discipline may produce reversed decisions “upstairs,” pressure from peers and bosses who are more tolerant of rule violations, or subtle messages not to “rock the boat.” Even more insidious is the perception that a supervisor who takes many disciplinary actions demonstrates a lack of administrative competence.

Furthermore, some supervisors believe that the goal of a disciplinary action is to build a case justifying an individual’s termination. Reluctant to enter a one-way street, supervisors often spend too much time in unproductive counseling sessions to avoid taking any formal measures before they have made up their minds that discharge is the answer. They then begin the discipline process with the objective of termination rather than rehabilitation. But this approach has its own perverse twist: should the employee improve following a disciplinary step, the supervisor may feel frustrated about losing the grounds to justify recommending dismissal.

Finally, the most significant problem with a traditional punitive approach is that it leaves the worker freed of responsibility for future good performance. To the employee, the slate is now clean: “I did the deed, I paid the price, now everything’s back to normal.”

Management, on the other hand, has neither requested nor received commitment to future good performance or acceptance of reasonable standards. The worker has been absolved of wrongdoing by accepting the punishment.

The traditional industrial system assumes that crime must be followed by punishment lest chaos reign. It requires managers to sit in judgment of the individual to determine the penalty that fits the crime. It seems irrelevant that this approach produces few beneficial results.

While layoffs, probations, final warnings, and so on may produce initial compliance, over time this approach generates more problems than it solves. A worker punished with a written warning or unpaid suspension responds with resentment or apathy; absenteeism and grievances increase; communication and trust decline; “get by” or “get even” performance results. In fact, it is the prevalence of these very problems that has led organizations to change to a nonpunitive approach.

## **Basics of a Nonpunitive System**

Like Tampa Electric, many organizations are now adopting an approach modeled on Huberman’s system. The differences in method show up not only in the formal steps but also in the organization’s administrative policies and in management’s attitudes, beliefs, and behavior.

The first step of formal nonpunitive discipline is to issue an “oral reminder.” The manager meets privately with the employee to discuss the problem. The manager’s primary goal is to gain the employee’s agreement to solve the problem. Instead of warning the employee of more serious disciplinary action to come, the manager reminds the individual that he or she has a personal responsibility to meet



reasonable standards of performance and behavior. In most organizations the manager documents the discussion but retains the documentation in a working file. In this way the manager extends a strong incentive for improvement by advising the individual that although this is the first formal step of discipline, no record of the transaction will appear in the employee's permanent record unless the problem arises again.

Should the problem continue, the manager moves to the second step, the "written reminder." The manager talks to the employee again in a serious manner but without threats. The manager reviews the good business reasons why the rule or standard must be observed, discusses the employee's failure to abide by the original agreement, and, through counseling, again gains the employee's agreement to solve the problem. Together they create an action plan to eliminate the gap between actual and desired performance. Then the manager writes a memo to the individual summarizing the conversation, and places a copy in the employee's personnel file.

In both steps, the main objective of the conversation is to gain the employee's agreement to change. This agreement is important for several reasons. First, the employee is more likely to improve if he or she makes an agreement to change than if the company mandates compliance. Second, and more important, if the problem continues and another disciplinary discussion is necessary, the subsequent discussion will focus not only on the continuing problem but also on the employee's failure to abide by the original agreement—a much more serious concern. Finally, should the employee refuse to agree to meet reasonable employer expectations, the documentation of that refusal in the second step strengthens the company's position if a record is needed to justify the employee's termination.

Issuing reminders instead of warnings involves more than a mere semantic sleight of hand. *Warnings* threaten future disciplinary action should the employee be caught misbehaving again; *reminders* restate

the essentialness of the rule and the individual's responsibility to uphold it (see Exhibit I). The point is not to reprimand for past misbehavior but rather to create an action plan for the future.

<b>Exhibit I    Warnings vs. reminders</b>		
	<b>Warnings</b>	<b>Reminders</b>
Timing	Before the conversation	After the conversation
Focus	Next step	Individual responsibility
Purpose	Threaten further negative consequences	Remind employee of performance standard
Time perspective	Past	Future
Responsibility for action	Supervisor	Employee
Supervisor's role	Judge	Coach

Exhibit I Warnings vs. reminders

## **The Decision-Making Leave**

When disciplinary discussions have failed to produce the desired changes, management places the individual on a paid, one-day, “decision-making leave.” The company pays the employee for the day to demonstrate the organization's desire to see him or her remain a member of the organization and to eliminate the resentment and hostility that punitive actions usually produce. But tenure with the organization is conditional on the individual's decision to solve the immediate problem and make a “total performance commitment” to good performance on the job. The employee is instructed to return on the day following the leave with a decision either to change and stay or to quit and find more satisfying work elsewhere.

On returning to the job, the employee does not immediately begin work. He or she first meets with the supervisor to announce the decision. If the decision is to change and stay, the employee and supervisor set specific goals and develop an action plan. The supervisor expresses confidence in the individual's ability to live up to the requirements of the action plan but also tells the employee that failure to live up to the organization's performance expectations will lead to termination. This statement is repeated in a formal memo documenting the step; the original is given to the employee and a copy is placed in the personnel file.

## **The rationale for a nonpunitive system**

While most managers can accept the philosophy of dealing with poor performance or misconduct in a nonpunitive way in the early steps, the concept of a paid disciplinary suspension still disturbs many managers. Two issues are involved here. First, why suspend someone as a final disciplinary step? Second, why pay the person during that suspension?

The benefits of suspension as a final step are many: suspension clearly demonstrates to the errant employee the seriousness of the situation; it provides an opportunity for cool reflection and decision making for both the employee and management; it proves that the company means business; and, perhaps most important, it has been universally accepted by arbitrators as sufficient notice to the individual that the job is at risk.

Given that suspension can offer some benefits uncharacteristic of other “final step” strategies, what does the company gain from paying the employee during the leave?

- Paying the employee reduces the need for the individual to “save face.” In contrast, when an individual returns from an unpaid suspension, the anger, resentment, or apathy provoked by the layoff often results in martyrdom, reduced output, subtle sabotage, and other forms of costly antiorganization behavior.
- Concerns about employee abuse of the system, such as intentional misbehavior to gain a “free day off,” have proved unfounded. Organizations using the system have found that employees treat the leave seriously. They do make a decision about changing their behavior and maintaining employment. Unlike the traditional unpaid suspension in which the individual must do no more than “serve time,” now the employee must take responsibility for future performance and behavior. Employees discover that, in spite of the pay, they are confronted with a far tougher company response to their failure to meet standards. A Tampa Electric Company

employee who returned from a decision-making leave commented, “Believe me, brother, that was no vacation!”

- Good workers do not resent the paid suspension. Virtually all employees view the leave as a grave step. Interestingly, what good workers do resent, we have found, is management’s failure to confront a poor performer, since they usually must shoulder the work not done by their colleague.
- While the cost of paying the employee for the day he or she is absent is a visible one, it usually is the only cost associated with using the nonpunitive system. Unpaid suspensions often generate much higher hidden costs in overtime, inefficiency, disruption of others’ work, and reduced output.
- In unionized organizations, grievances and arbitrations take on a totally new perspective. The system makes moot the question, “Does the penalty fit the crime?” Consequently, it eliminates attempts at penalty reductions, claims of punitive inconsistencies, and deal making. In addition, a nonpunitive system reduces the number of discipline-related grievances and arbitrations.
- Finally, the paid suspension is evidence of the company’s sincere, good-faith effort to convince the individual to change and accept responsibility for appropriate behavior. Should the company ultimately fire an employee, this step reduces the chances of a third party’s reversal of the decision or a wrongful discharge suit.

Most important, a nonpunitive approach to discipline represents the company’s refusal to make an employee’s career decision. Traditional methods of discipline force management to make all the decisions. Is the offense serious enough to warrant a disciplinary transaction? Given the seriousness, what is the appropriate level of punishment? Is the punishment for employee A similar to what we did to B and C in like situations? Then management caucuses, analyzes the available

data, and decides what action is most appropriate. The decision is then announced to the employee, who from the outset has been outside the process.

Organizations in the white-collar professional and technical sectors have found this approach more palatable. Problems that arise on the factory floor are frequently the same as those that arise in the office. A final warning or unpaid suspension for an engineer, a programmer, or a manager seems somehow inappropriate, but most managers can accept a strategy of reminding a professional to meet the organization's standards. The use of a decision-making leave can be as powerful in the executive suite as on the factory floor.

## **Making the Move**

Accepting a new disciplinary approach leads organizations to develop a complete human resource system that integrates the nonpunitive disciplinary method with all its other human resource programs.

Employees recognize that through its approach to discipline, the company displays its true attitude about people, professionalism, and productivity. Consequently, the company's disciplinary program can create either trust or distrust and produce either positive or negative results in the rest of the human resource-management system.

Discipline touches on the largest organizational questions: How will good performance be recognized? How will problems be dealt with? Who has the responsibility for ensuring acceptable behavior? Who will be expelled from membership in the organization family? How and by whom will that decision be made?

Since the implementation of a nonpunitive system affects the entire organization, its philosophy, and values, a major organizational effort is required. Formal policies and informal day-to-day practices must be reviewed and reconsidered. Supervisors need to be trained in the new approach, the belief system behind it, and the methods for holding nonpunitive disciplinary discussions. They must learn how to develop action plans that lead to an employee's agreement to change

and to recommit to the company's objectives. Management must communicate to everyone concerned both the general purpose of the system and the specific administrative practices.

Finally, management must link the system with all other existing human resource programs and policies such as performance appraisal, attendance management, grievance and appeal procedures, and employee assistance programs. After installing the new system, managers must measure, monitor, and maintain it. The process typically involves several months of alternatives analysis, decision making, and training, and requires the efforts and involvement of a large number of supervisors and managers.

To develop the system, most organizations appoint a team of supervisors and managers from different levels and functions. The team's task is to manage the transition to the new system by answering questions like:

What are the appropriate roles of personnel and line management? To which categories of employees will the system apply? How will the severity of different problems and offenses be determined? How will unrelated problems with the same individual be handled? What authority and responsibility will first-line supervisors have for each step of the system? How will the supervisors be trained?

While initial answers to these questions can come from the experience of other organizations that have adopted similar systems, ultimately no answers can be adopted off the shelf. For the policies to be workable and appropriate, they must take into account the organization's culture and history.

Once all managers have been trained and top management has formally approved the policies, the company communicates the change to all employees. It holds meetings with all company members to review the key elements and operation of the system, the reasons

for the change, and the philosophy behind the program. Managers also hold meetings with employees already on a discipline step to advise them where they will stand when the new system begins.

Managers maintain the program by measuring the results, feeding information back to higher level managers and senior executives at regular intervals, and reinforcing supervisory counseling skills.

## **Ensuring a Successful Implementation**

The secret of nonpunitive discipline is that there are no secrets. To produce a committed work force of professionals, this program, like any other change process, must be installed in an open, collaborative, and honest fashion. Inevitably, problems and pitfalls present themselves. For example:

- Some senior managers oversimplify the cultural and operational differences between nonpunitive performance management and traditional approaches. Many executives overestimate the ability of supervisors, managers, and employees to translate their intellectual appreciation of this type of system into a practical approach. Conversely, senior executives may also fail to appreciate the ease with which some supervisors, especially those most experienced with the dismal results of a punitive strategy, will accept the new approach.
- Senior managers may recognize the benefits of a new approach; those benefits, however, must also be perceived by everyone affected, including the great majority of employees who are never affected by formal disciplinary procedures. Every employee and every manager will evaluate the program from the perspective of “What’s in it for me?” The answers must be built into the development, communication, installation, evaluation, and management processes.
- Some managers believe that once a sensible program is installed, it will somehow run on automatic pilot. But experience suggests that

unless the program is tightly managed and maintained, it is very easy for old procedures and practices to creep in. Then, like so many other well-intended programs, it will become an event that occurred some time in the past rather than a part of the practices ingrained in the company's culture.

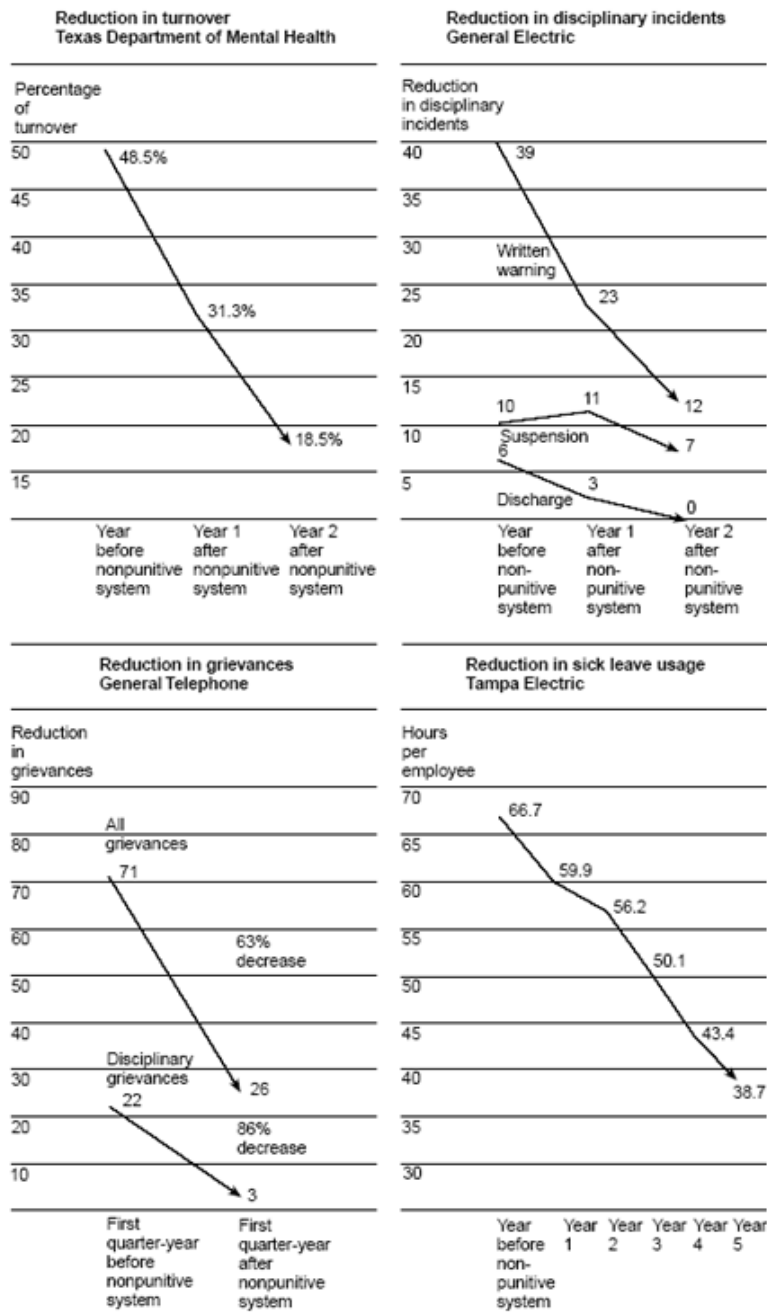
- Finally, excessive dominance by the personnel function in the development and implementation process can undermine a new approach. While expertise in human resource management is critical to successful implementation, it is only one critical aspect. Significant issues dividing personnel and the line organization responsible for managing the discipline system often go unresolved if personnel is perceived as bearing full responsibility for the program's success.

### **Building Momentum Toward Change**

The results speak for themselves: organizations that have adopted a nonpunitive strategy for handling performance problems have found measurable reductions in absenteeism, dismissals, disciplinary actions, grievances, and arbitrations. Less measurable but equally significant results include improved morale and increased respect for management, a reduction in wrongful termination suits, and a sharper focus on the great majority of employees who are performing well. The responsibility for action shifts from the supervisor to the employee; the time frame changes from past to future; and the objective becomes commitment and not mere compliance (see Exhibit II).



## Exhibit II Advantages of nonpunitive systems



### Exhibit II Advantages of nonpunitive systems

But in the 20 years since Huberman proposed the concept, many organizations still seem reluctant to move away from traditional strategies. What is the source of this hesitation?

The most common criticisms managers make—a nonpunitive system won't be taken seriously by employees, employees will take advantage of it to get a "free day off," it won't be upheld in arbitration—have all been proven groundless by the many organizations that have adopted

the approach. A deeper and more subtle concern is the hesitation to abandon the traditional parental role of total control. But the decision to perform well or perform poorly, to follow the rules or to disregard them, is the employee's. Only when managers recognize this can they create a system that not only encourages individual responsibility but also requires it.

Perhaps the greatest difficulty in changing an organization's approach to discipline is in readjusting managers' ingrained attitude that punishment is the appropriate response to employee failures in behavior and performance. Like most people in our culture, many managers have grown up believing that misconduct must be followed by punishment. At home, misbehavior earned a spanking; at school, it earned a visit to the principal's office. More serious violations were met with more severe punishments, all in the sacred name of "justice." But is justice the ultimate and appropriate objective of an organization's discipline system?

Organizations have legitimate and reasonable rights: the right to expect employees to be on time; to attend regularly; to put in a full day's work; to be mentally and physically prepared for the tasks at hand; to respond positively to direction; to learn the job at hand and the jobs to come; to adapt to change; to get along well with customers, supervisors, and fellow employees; to know and to follow the rules and procedures; and to meet the technological and ethical standards of the enterprise. In other words, the employee must fit into the culture of the organization—which is not too much to ask of anyone who draws a paycheck. Most people do fit in. But when they do not, the need arises to confront the difference between what is expected and what is delivered.

Organizations that have adopted a nonpunitive approach to discipline reject the use of punishment, not only because it seems to create more problems than it solves but also because few counterbalancing positive effects can be identified. It seems impossible that people will become better workers if management treats them progressively worse.

The ultimate problem with traditional approaches to discipline is that they take problem employees, punish them, and leave them punished problem employees. A nonpunitive approach to discipline requires problem employees to make a choice: to become either committed employees or former employees.

1. John Huberman, “Discipline Without Punishment,” HBR July–August 1964, p. 62.

A version of this article appeared in the July 1985 issue of *Harvard Business Review*.

## DC

Mr. Campbell, senior vice president, administration, participated in the implementation of a nonpunitive system of discipline at Tampa Electric Company of Tampa, Florida.

## RF

Mr. Fleming, director of labor relations, participated in the implementation of a nonpunitive system of discipline at Tampa Electric Company of Tampa, Florida.

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