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LEADING

AT A

**HIGHER
LEVEL**

BLANCHARD ON LEADERSHIP AND CREATING
HIGH PERFORMING ORGANIZATIONS

T H I R D E D I T I O N

Praise for **Leading at a Higher Level**

“At Southwest Airlines, we have always strived to lead at a higher level. We truly believe that profit is the applause you get for taking care of your internal and external customers. We have always insisted upon a happy, carefree, team-spirited—yes, even fun—working environment, which we think results in motivated employees who will do the right thing for their internal and external customers. Reading this book will make a positive difference in your organization.”

Colleen C. Barrett, President Emeritus, Southwest Airlines

“This is not just theory. It is the real stuff, tried in dozens of companies big and small. It represents the most concise, practical, and effective thinking on leadership around. Plainly said, this works.”

Gary Crittenden, Managing Director, Huntsman Gay Global Capital, former CFO of Citigroup and American Express

“Leading at a higher level is a must today if leaders are to rebuild trust and credibility, as we are doing at Tyco. This book will teach you how.”

Eric Pillmore, Senior Vice President of Corporate Governance, Tyco International

“*Leading at a Higher Level* translates decades of research and 40 years of global experience into simple, practical, and powerful strategies to equip leaders at every level to build organizations that produce bottom-line results. At Nissan, we have made these principles a core part of our leadership philosophy, better equipping our managers to bring out the great energies and talents of our employees.”

Jim Irvine, Vice President of Human Resources, Nissan North America

performance has declined or his behavior has changed in a negative way. Second, a gap occurs when the person is unwilling to gain knowledge or skills that would lead to improved performance or behavior.

We see three possible strategies for addressing decommitment:

- Keep on doing what you've always done.
- Catch it early.
- Go to a supporting leadership style (high supporting/low directing leader behavior).

The first alternative—keep on doing what you've always done—will get you what you've always gotten: escalating anger, frustration, and no resolution.

The most effective alternative is to catch decommitment early—the first time it is observed, before it gets out of control and festers. Early detection makes it easier for both you and your direct report to identify the causes and resolve them.

Just as improvements in performance prompt forward shifts in style along the curve, decreases in performance require a shift backward in leadership style along the performance curve. If a person you are delegating to starts to decline in performance, you want to find out why. So, you would move from a delegating style to a supporting style, where you listen and gather data. If both of you agree that the direct report is still on top of the situation, can explain the decline in performance, and can get performance back in line, you can return to a delegating leadership style. However, if you both agree that this performance situation needs more attention from you, you now can go to a coaching style where you can provide closer supervision. Seldom, if ever, do you have to go all the way back to a directing style.

The third alternative for addressing decommitment when the problem has been going on for some time is to cautiously go to a supporting leadership style. That may seem inappropriate to impatient managers who would like to get off the railroad tracks and head straight back to a directing leadership style. Let's explore why and how a supporting leadership style is a better choice.

Step 1: Prepare

Preparation should involve selecting a specific performance or behavior that you believe you have a chance of jointly dealing with. Do not attempt to address everything at once.

After you have pinpointed the performance or behavior you want to focus on, gather all the facts that support the existence of the performance or behavior from your point of view. If it is a performance issue, quantify the decline in performance. If it is a behavior issue, limit your observations to what you have seen. Don't make assumptions or bring in the perceptions of others. This is a sure way to generate defensiveness. And you probably won't be able to specifically identify these "others" anyway because they usually don't want to be named. Also, use the most recent information possible. Next, identify anything you or the organization might have done to contribute to the decommitment. Be honest. Owning up is the most important part of moving toward resolution.

Ask yourself questions to determine your role in the situation. Were performance expectations clear? Have you ever talked to the person about his or her performance or behavior? Does the person know what a good job looks like? Is anything getting in the way of performance? Have you been using the right leadership style? Are you giving feedback on the performance or behavior? Is the person being rewarded for inappropriate performance or behavior? (Often people in organizations are rewarded for poor behavior—that is, nobody says anything.) Is the person being punished for good performance or behavior? (Often people are punished for good performance or behavior—that is, they do well and someone else gets the credit.) Do policies support the desired performance? For example, is training or time made available to learn needed skills?

Once you have done a thorough job of preparing, you're ready for Step 2.

Step 2: Schedule a Meeting, State the Meeting's Purpose, and Set Ground Rules

Scheduling a meeting is vital. It is important to begin the meeting by stating the meeting's purpose and setting ground rules to ensure that

both parties will be heard in a way that doesn't arouse defensiveness. Decommitted people with serious performance or behavior issues are likely to be argumentative and defensive when confronted. For example, you might open the meeting with something like this:

"Jim, I want to talk about what I see as a serious issue with your responsiveness to information inquiries. I would like to set some ground rules about how this discussion proceeds so that we can both fully share our perspectives on the issue. I want us to work together to identify and agree on the issue and its causes so that we can set a goal and develop an action plan to resolve it.

"First, I would like to share my perceptions of the issue and what I think may have caused it. I want you to listen but not to respond to what I say except to ask questions for clarification. Then I want you to restate what I said, to make sure you understand my perspective and I know you understand it. When I am finished, I would like to hear your side of the story, with the same ground rules. I will restate what you said until you know I understand your point of view. Does this seem like a reasonable way to get started?"

Using the ground rules you have set, you should begin to understand each other's point of view on the performance issue at hand. Making sure that both of you have been heard is a wonderful way to reduce defensiveness and move toward resolution.

Once you have set ground rules for your meeting, you are ready for Step 3.

Step 3: Work Toward Mutual Agreement on the Performance Issue and Its Causes

The next step is to identify where there is agreement and disagreement on both the issue and its causes. Your job is to see if enough of a mutual understanding can be reached so that mutual problem solving can go forward. In most conflict situations, it is unlikely that both parties will agree on everything. Discover if there is sufficient common ground to work toward a resolution. If not, revisit those things that are getting in the way, and restate your positions to see if understanding and agreement can be reached.

When you think it is possible to go forward, ask, “Are you willing to work with me to get this resolved?”

If you still can’t get a commitment to go forward, you need to use a directing leadership style. Set clear performance expectations and a time frame for achieving them; set clear, specific performance standards and a schedule for tracking performance progress; and state consequences for nonperformance. Understand that this is a last-resort strategy that may resolve the performance issue but not the commitment issue.

When you get a commitment to work together to resolve the issue, it is normal to feel great relief and assume that the issue is resolved. Not so fast.

If you or the organization has contributed to the cause of the problem, you need to take steps to correct what has been done. Anything you have done to cause or add to the problem needs to be addressed and resolved. Sometimes you have no control over what the organization has done, but just acknowledging the organization’s impact often releases the negative energy and regains the other party’s commitment.

If you finally get a commitment to work together to resolve the issue, you can go to Step 4 and partner for performance.

Step 4: Partner for Performance

Now you and the direct report need to have a partnering for performance discussion in which you jointly decide the leadership style you will use to provide work direction or coaching. You should set a goal, establish an action plan, and schedule a progress-check meeting. This step is crucial.

Resolving decommitment issues requires sophisticated interpersonal and performance management skills. Your first try at one of these conversations is not likely to be as productive as you would like. However, if you conduct the conversation in honest good faith, it will reduce the impact of less-than-perfect interpersonal skills and set the foundation for a productive relationship built on commitment and trust.

Performance Review: The Third Part of a Performance Management System

The third part of an effective performance management system is ***performance review***. This is where a person's performance over the course of a year is summed up. We have not included performance review in the traditional sense in our Performance Management Game Plan. Why? Because we think effective performance review is not an annual event, but an ongoing process that takes place throughout the performance period. When progress-check meetings are scheduled according to development level, open, honest discussions about the direct report's performance take place on an ongoing basis, creating mutual understanding and agreement. If these meetings are done well, the year-end performance review will just be a review of what has already been discussed. There will be no surprises.

Partnering as an Informal Performance Management System

What we have been talking about so far is how one-on-one leadership could fit in with a formal performance management system. Unfortunately, most organizations don't have a formal performance management system. Organizational goals are usually set, but often no system is established to accomplish them. As a result, the management of people's performance is left to the discretion and initiative of individual managers. While annual performance reviews are usually done, they tend to be haphazard at best in most organizations. Managers working in that kind of environment can implement one-on-one leadership on an informal basis in their own areas, even when it comes to performance review. As we stated earlier, we believe that an effective performance review is an ongoing process that should take place throughout the performance period, not just once a year. If managers do a good job with an informal performance review system, perhaps through their good example, a formal performance management system will emerge organization-wide, with one-on-one leadership as a core element.

One-on-Ones: An Insurance Policy for Making One-on-One Leadership Work

How can people close the gap between learning about one-on-one leadership and really doing it?

Margie Blanchard and Garry Demarest developed a one-on-one process that requires managers to hold 15- to 30-minute meetings a minimum of once every two weeks with each of their direct reports.⁴ The manager is responsible for scheduling the meeting but the direct report sets the agenda. This is when people can talk to their managers about anything on their hearts and minds—it’s their meeting. The purpose of one-on-ones is for managers and direct reports to get to know each other as human beings.

In the old days, most businesspeople had a traditional military attitude that said, “Don’t get close to your direct reports. You can’t make hard decisions if you have an emotional attachment to your people.” Yet rival organizations will come after your best people, so knowing and caring for them is a competitive edge.

Too often, talented people report that their executive recruiter knows and cares more about their hopes and dreams than their manager does.

Don’t let this be said about you. One-on-one meetings not only deepen the power of one-on-one leadership, they create genuine relationships and job satisfaction. In the next chapter, we’ll reveal the final secrets of leading people one-on-one.