

JUICY WORK NEWS

Updates from The Learning Advantage

August 2019



THE Learning Advantage

Mobley's Musings—When is “Good Enough” Enough?

You’ve probably heard of the Pareto principle, also known as the 80/20 rule. It states that 80 percent of effects come from 20 percent of causes. Related to the Pareto principle is the law of diminishing returns, that the enormous effort needed to achieve perfection nets little additional gain compared to results already achieved.

Jack Welch, CEO of General Electric from 1981 to 2001, had his own version of the Pareto principle. He mandated that if a GE subsidiary wasn’t #1 or #2 in its industry, it should be sold off. Then the concept was applied to GE employees. Managers were told to rank order their employees based on performance and fire the bottom 10 percent. The belief is that if you don’t raise the bar and cull the underperformers your business will suffer.

Other organizations have embraced this approach to talent management, and it has led to no small amount of anguish among the managers I coach. Part of their job is ongoing performance management: they routinely identify underperformers, implement performance improvement plans, and release those whose work still does not make the grade. If these managers are good at their job, they’ve created a staff of very competent performers. But now they are required to identify the lowest-performing employees to put in the bucket for culling.

They are faced with a difficult decision. By letting go of the lowest-performing employees, these managers may be able to hire someone better. But they know recruiting, training and developing a new employee is time-intensive and expensive. Is this bottom-rung culling an effective way to improve the organization, and what might it do to a team’s morale?

We can’t all be above average, and not every job requires great talent. There are some jobs that are routine, and a good performer who loves that job is an asset, even if he is not a rock star. Is it better to dismiss him so you can hire a stronger performer who may end up being bored by the routine work? The new hire may quickly leave the organization or he may cause problems due to job dissatisfaction.

It seems that the desire to constantly raise the talent bar by replacing bottom-rung performers flies in the face of the law of diminishing returns that is part and parcel of the Pareto principle. The ability to recognize when “good enough” is in fact good enough keeps leaders focused on what produces the most value.

Sandy



Sandy Mobley

Ask Sandy

What to do about complacent employees

If you’ve ever owned your own business, whatever the size, you know that success is not an accident. You spend much time thinking about what your clients need, how to provide better service, and how to operate more cost effectively. I find many successful leaders in both the public and private sector think about their organizations as if they were their own businesses. They are conscientious about company expenses and motivated to attract and retain clients and employees.

But not everyone thinks that way. They put in their hours to get a paycheck, expect to get regular raises and rarely think about how what they do affects the success or failure of the business. These employees don’t realize that what they consider a minor action can cost the company in many ways. Think about the Starbucks’ employee who asked local police officers to leave because their presence made another customer uncomfortable. More than the price of a couple vente decafs was lost that day.

Where there is complacency there is often a sense of entitlement. Employees feel they “deserve” salary increases and promotions regardless of the health of the business or whether their work has contributed to the organization’s success. And they may feel they are owed a bump in pay even though they have no idea how their compensation compares in the current market.

Leaders should help employees understand the hard realities of the business. Withholding that information is akin to parents who don’t tell their children that they can’t afford to send them to camp. You might want to shield children from painful truths, but you do your employees no favors if you don’t share the performance metrics that drive success. When employees understand how their actions affect the organization’s bottom line, they’ll be motivated to do things that support business success.

Don’t assume that employees understand the costs associated with running a business. One leader shares her budget with her staff so they will understand how much discretionary spending is available for conferences, training, fun events, and perks. She then works with them to decide how the money should be allocated each year. By including her staff in these budget decisions, they make more responsible choices and better appreciate where the dollars come from for these activities.

When employees claim they’re not being fairly compensated, I ask HR to review the organization’s compensation structure to determine whether it’s competitive and equitable. If salaries are below market, raising them will be necessary to retain the organization’s best employees.

If an employee is still unhappy after the competitive salary review, I suggest they update their resume and interview to see what their market value is. If they come back with a higher salary, I ask them to compare the full compensation package, including quantitative elements like insurance benefits, profit sharing, and tuition assistance as well as intangibles like the organizations’ stability, location, flexibility, and culture. If the competitor’s offer is better on all dimensions and the employee is especially valuable, I work with HR to find ways to match or better the offer. The key is to make sure the negotiations are conducted like a business discussion, not a back alley stickup.

Learning for Leaders – Help your employees understand the costs involved in running your organization. Make sure they understand how their behavior adds or detracts from the company’s success.

Coaches Corner – Ask your clients if they consider themselves “owners” of their business area. If not, help them find ways to be more engaged in their company’s success.

If you have questions you’d like Sandy to address in future newsletters, email them to sandy@learningadvantageinc.com



Are Your Dreams Big Enough?

Many of us go through life putting one foot in front of the other without taking time to reflect on our path. Do we know where our path is taking us? Is it where we want to go? Would another path or destination be preferable?

One of the benefits that a coach offers is having a partner who can help you explore your path. I’ve had many of these exploratory conversations with clients preparing for retirement and considering new paths and destinations. But exploring other paths can be worthwhile anytime in your career, and the earlier in your career you think about where you’re headed the more likely you’ll get where you want to be.

When my job was programming I enjoyed the work and I was good at it. But none of the paths that lay ahead of me took me anywhere I wanted to go. If my career had a GPS system back then, it would have said “recalculating” frequently as I journeyed down different paths. Much exploration eventually led me to a career I love and find fulfilling.

Exploring your path often begins with a dream. Alan, a client, was considering a job offer where he would be managing a similar area in finance for another company. I asked him to describe his dream job. Turns out he loves the people side of management more than finance. After some networking within his company he learned the human resources department was looking for someone with analytical skills to build HR metrics. He was excited because that job would blend his analytical and people skills.

Jumping off the path of a ho-hum career to one that leads to fulfilling work may be as simple as dreaming bigger and telling people what you want, as Alan discovered. Other times it may take re-tooling. Donna, a customer service manager I had been coaching, wanted to know what it would take to become a coach. She was interested in applying her people skills in a different way and thought coaching would be a good opportunity. She took a coaching certification program and practiced by coaching other customer service managers. Her director took note of Donna’s abilities and looked for other ways to apply her coaching skills. When the company launched a leadership program, she was nominated to coach the participants. A few months later, Donna applied for a full-time coaching position in her company and got it. She loves her job!

How can you dream bigger? Spend some time thinking about what you might love to do. You can write your ideas in a journal, make a poster with thought bubbles depicting different options, or create a collage of images clipped from magazines that interest you. Once you have your first cut, find a partner, coach, or friend and share your ideas with them. Pick someone who will be positive and supportive, not someone who will give you reasons why you shouldn’t try something else. The conversation may open other possibilities and build on the ideas you started with.

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