RESULTS THAT LAST

Hardwiring Behaviors That Will Take Your Company to the Top

QUINT STUDER

1807 WILEY 2007

John Wiley & Sons, Inc.

RESULTS THAT LAST

Hardwiring Behaviors That Will Take Your Company to the Top

QUINT STUDER

John Wiley & Sons, Inc.

Table of Contents

Praise
Title Page
Copyright Page
Dedication
Introduction

KEY TACTICS

CHAPTER 1 - UP OR OUT Deal with Low Performers and Move Your Organization to ...

- LOW PERFORMERS COME IN MANY SHAPES AND SIZES
- HOW DO THEY DAMAGE? LET US COUNT THE WAYS . . .
- REVERSING THE SPIRAL: HIGH, MIDDLE, AND LOW CONVERSATIONS
- WHO'S WHO IN TERMS OF PERFORMANCE
- SCHEDULE THE CONVERSATIONS
- SUBTRACTION REALLY IS ADDITION
- WHAT YOU'VE ACCOMPLISHED

CHAPTER 2 - ROUND FOR OUTCOMES

- WHAT EMPLOYEES WANT: FIVE GOOD REASONS TO ROUND
- ROUNDING 101: NINE SIMPLE STEPS FOR GETTING STARTED

CHAPTER 3 - MANAGE UP TO IMPROVE PERFORMANCE

THE WE/THEY PHENOMENON
THE ART OF MANAGING UP
WELL-HANDLED HANDOFFS—AND THEIR PAYOFFS
MANAGING UP TO REDUCE ANXIETY
CREATING THE CULTURAL SHIFT

THE CORE

CHAPTER 4 - BUILD THE FOUNDATION (PASSION AND PURPOSE)

THE ORGANIZATIONAL FLYWHEEL
SELF-MOTIVATION
PRESCRIPTIVE TO-DO'S
RESULTS
THE FIVE PILLARS OF EXCELLENCE
HELPING EMPLOYEES CONNECT THE DOTS

CHAPTER 5 - REDUCE LEADERSHIP VARIANCE

TAKE A CUE FROM YOUR FINANCE LEADERS
CONSISTENCY EQUALS SUSTAINABLE RESULTS
WHY LEADERS DON'T STANDARDIZE BEHAVIORS
SIX WAYS TO REDUCE LEADERSHIP VARIANCE
A PROCESS FOR TRANSFORMATION

CHAPTER 6 - MEASUREMENT 101

MEASUREMENT ALIGNS BEHAVIORS
MEASUREMENT AS A DIAGNOSTIC AND PROCESS-IMPROVEMENT TOOL
WHAT GETS MEASURED GETS IMPROVED
EMPLOYEE TURNOVER AND THE RIPPLE EFFECT

HOW OFTEN DO WE MEASURE?
GOOD TO GREAT: MOVING 4s TO 5s
TRANSPARENCY: HELPING PEOPLE UNDERSTAND THE METRICS
FINANCIAL TRANSPARENCY IS A RELATIVELY NEW VALUE
RETURN ON INVESTMENT

CHAPTER 7 - ALIGN BEHAVIORS WITH GOALS AND VALUES

HOLDING LEADERS ACCOUNTABLE
HOW DOES THE LEADERSHIP EVALUATION TOOL WORK?
HOW TO ROLL OUT THE LEADERSHIP EVALUATION TOOL
THE MONTHLY PROGRESS REPORT
THE 90-DAY PLAN
RETURNING THE ORGANIZATION TO A SENSE OF PURPOSE

CHAPTER 8 - CREATE AND DEVELOP LEADERS

LEADER DEVELOPMENT IS A MUST
A CRITICAL KEY TO EMPLOYEE RETENTION
PRINCIPLES FOR DEVELOPING LEADERS
LEADERSHIP DEVELOPMENT INSTITUTES (LDIs): THE SECRET TO HARDWIRING LEADERSHIP TRAINING

EMPLOYEE TACTICS

CHAPTER 9 - SATISFIED EMPLOYEES MEAN A HEALTHY BOTTOM LINE

THE POWER OF SATISFIED EMPLOYEES
BUILDING BLOCKS OF EMPLOYEE SATISFACTION
NINE WAYS TO GET STARTED

CHAPTER 10 - KNOW YOUR EMPLOYEES' WHAT

- WE ALL HAVE A WHAT
- YOUR EMPLOYEES' WHAT
- IN HOT WATER: A STORY OF WHAT DISCOVERY
- PURSUING THE WHATS

CHAPTER 11 - IMPROVE EMPLOYEE SELECTION AND RETENTION

- THE IMPACT OF SELECTION AND THE FIRST 90 DAYS
- PEER INTERVIEWING: A VITAL SKILL FOR HIRING THE RIGHT PEOPLE
- THE STEP-BY-STEP PROCESS OF PEER INTERVIEWING
- THIRTY- AND NINETY-DAY NEW-EMPLOYEE MEETINGS

CHAPTER 12 - BUILD IN DIVIDUAL ACCOUNTABILITY

- THE RICH BENEFITS OF EMPLOYEE OWNERSHIP
- THE DIFFERENCE BETWEEN RENTERS AND OWNERS
- STRATEGIES TO TRANSFORM RENTERS INTO OWNERS
- SETTING REASONABLE EXPECTATIONS

CHAPTER 13 - HARVEST INTELLECTUAL CAPITAL

- MOVING BEYOND THE SUGGESTION BOX

CHAPTER 14 - RECOGNIZE AND REWARD SUCCESS

- REWARD AND RECOGNITION CHANGE AS YOU MATURE
- WHAT HOLDS US BACK?
- THE AMAZING POWER OF REWARD AND RECOGNITION
- HARDWIRING THANK YOU NOTES

HOW TO SCHEDULE AND IMPLEMENT REWARD AND RECOGNITION

CHAPTER 15 - FIND AND RECOGNIZE DIFFERENCE MAKERS

THE POWER OF HERO RECOGNITION
HOW TO FIND DIFFERENCE MAKERS

CUSTOMER TACTICS

CHAPTER 16 - BUILD A CULTURE AROUND SERVICE

A POWERFUL TOOL FOR BUILDING A SERVICE CULTURE
CREATING YOUR OWN STANDARDS OF BEHAVIOR
WHY STANDARDS WORK
THE POWER OF KEY WORDS
THE LOYALTY FACTOR

CHAPTER 17 - IMPLEMENT PRE- AND POST-CUSTOMER-VISIT CALLS

PRE- AND POST-VISIT CALLS EXCEED CUSTOMER EXPECTATIONS
CUSTOMER SERVICE AND THE BOTTOM LINE (PROOF THAT THESE CALLS WORK)
A TECHNIQUE FOR ALL TYPES OF BUSINESS
COMMON QUESTIONS ABOUT PRE- AND POST-VISIT CALLS
DEVELOPING KEY WORDS FOR PRE-CUSTOMER-VISIT CALLS
DEVELOPING KEY WORDS FOR POST-CUSTOMER-VISIT CALLS

CHAPTER 18 - ROUND ON YOUR CUSTOMERS Determine Your Customers' What and Give It ...

- THE IMPORTANCE OF ASKING
- ROUNDING ON CUSTOMERS
- THE THREE FACES OF ROUNDING
- CUSTOMER ROUNDING REALLY WORKS

CHAPTER 19 - KEY WORDS AT KEY TIMES

- DEVELOPING YOUR KEY WORDS
- THE AIDET APPROACH TO SERVICE

ABOUT STUDER GROUP
OTHER LEADERSHIP BOOKS BY QUINT STUDER AND STUDER GROUP
INDEX

PRAISE FOR *RESULTS THAT LAST*

"Change is hard for many people. That's what makes this book so valuable. Quint Studer lays out a formula that tackles one of the daunting tasks a leader must face—changing human behavior in order to improve organizational performance—and makes it feel doable. Reading this book before the next big change initiative at your company will make your job much easier... and infinitely more rewarding."

—Richard Lepsinger, President, OnPoint Consulting, LLC, and coauthor of *Flexible Leadership: Creating Value by Balancing Multiple Challenges and Choices*

"Anyone can be great once—even blind squirrels find a few nuts to store away. Quint Studer shows you how to consistently amaze your customers, connect with your employees, and outperform your competitors. And if that doesn't interest you, perhaps you are browsing in the wrong section of the bookstore."

—Randy Pennington, author of *Results Rule! Build a Culture That Blows the Competition Away*

"As companies everywhere break through borders and expand across the globe, achieving strong organizational performance takes on a new urgency. Without an unshakable foundation—one based on proven business principles—you won't survive growth and change. Quint Studer can help. He explains how standardizing your leadership practices sets you up for the kind of consistent, day-to-day, employee-to-employee, customer-to-customer excellence that ensures global success. Don't miss this book."

—Tom Travis, author of *Doing Business Anywhere: The Essential Guide to Going Global*

"Here's what I like about Quint Studer: He gets that the *employee* experience and the *customer* experience are intertwined and inseparable. Make the former happy and the latter will follow organically. And as Studer rightly points out, it all starts with great leadership. His book overflows with practical, why-didn't-I-think-of-that tactics for building a culture around service. You'll want to try these tactics the minute you read them—and I suspect they'll fit like a tailor-made suit."

—Scott Deming, international speaker and business consultant, author of *The Brand Who Cried "Wolf": Deliver on Your Company's Promise and Create Customers for Life*

"Not only are the most powerful leaders goal-oriented, disciplined, and passionate, they're connectors. They've mastered the art of human relationships. Quint Studer intuitively knows how to connect with others and persuade them to buy into a vision. If you're charged with leading others, don't just read *Results That Last*; live it. It will change the way you interact with your people, which in turn will change the course of your business for the better."

—Dennis F. Haley, founder and CEO, Academy Leadership, and coauthor of *The Leader's Compass, 2nd Edition: A Personal Leadership Philosophy Is Your Key to Success*

"Quint Studer's new book, *Results That Last*, is a must-read for anyone who is serious about leadership and the steps that can be taken to help improve morale and productivity in the workplace. He takes the principles he has refined as a distinguished leader in the healthcare industry and applies those to other corporate cultures. Studer bases his commonsense thesis on what he calls evidence-based leadership practices, which he breaks down into three key elements: Aligned Goals, Aligned Behavior, and Aligned Processes. He then weaves all three into a leadership formula that is both practical and attainable and will inspire and motivate anyone wishing to improve their leadership skills. It's what success is all about."

—Charles S. Lauer, retired publisher, *Modern Healthcare* Magazine

"Quint Studer, the foremost healthcare service consultant, has already taught us how to hardwire excellence. His latest book, *Results That Last*, is sure to be a classic in the annals of business management."

—Floyd D. Loop, M.D., former CEO (1989-2004),
Cleveland Clinic

RESULTS THAT LAST

Hardwiring Behaviors That Will Take Your Company to the Top

QUINT STUDER

John Wiley & Sons, Inc.

Copyright © 2008 Studer Group, LLC. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.
Published simultaneously in Canada.

Wiley Bicentennial Logo: Richard J. Pacifico

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600, or on the web at www.copyright.com. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at http://www.wiley.com/go/permissions.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Designations used by companies to distinguish their products are often claimed by trademarks. In all instances where the author or publisher is aware of a claim, the product names appear in Initial Capital letters. Readers, however, should contact the appropriate companies for more complete information regarding trademarks and registration.

For general information on our other products and services or for technical support, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993 or fax (317) 572-4002.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books. For more information about Wiley products, visit our web site at www.wiley.com.

Library of Congress Cataloging-in-Publication Data:

Studer, Quint.
Results that last: hardwiring behaviors that will take your company to the top /
Quint Studer. p. cm.
Includes bibliographical references.
ISBN-13: 978-0-471-75729-0 (cloth)
1. Leadership. 2. Organizational behavior. 3. Corporate culture. I. Title.
HD57.7.S787 2007
658.4’092—dc22
2007014619

To Celia Rocks

June 15, 1959-December 25, 2006

Celia Rocks was a believer. She believed the message you are about to read could make a difference. Celia, here's wishing we all had more days with you. Thank you for starting the fire.

INTRODUCTION

Evidence-Based Leadership

What truly creates results that last?

It’s not the products and services an organization offers. These can change and, besides, the minute they hit the global marketplace competitors can and do copy them. It’s not particular employees. People leave organizations every day. It’s not even individual leaders. They, like the employees who serve under them, come and go over time.

What creates results that last is *leadership*—leadership that’s consistently excellent from leader to leader, department to department, division to division. Standardize the right leadership practices and you will find that organizational performance improves across the board . . . and *stays* improved.

The strategies and tactics in this book have been “road tested” by Studer Group, an outcomes-based firm devoted to teaching its client organizations how to create and sustain service and operational excellence. We know they work, and work well. Our partner organizations attest to their validity.

Evidence-based leadership (EBL) enables us to create results that last. What *is* EBL? It’s a strategy centered on using the current “best practices” in leadership—practices that are proven to result in the best possible outcomes. The “evidence,” in this context, is the reams of data collected from study after study that aim to determine what people really want and need from their leaders. When leaders apply these tried-and-true tactics to every corner of our organizations, we achieve consistent excellence. Our organization’s success is no longer dependent on individuals. It’s hardwired. No matter who leaves, the excellence remains.

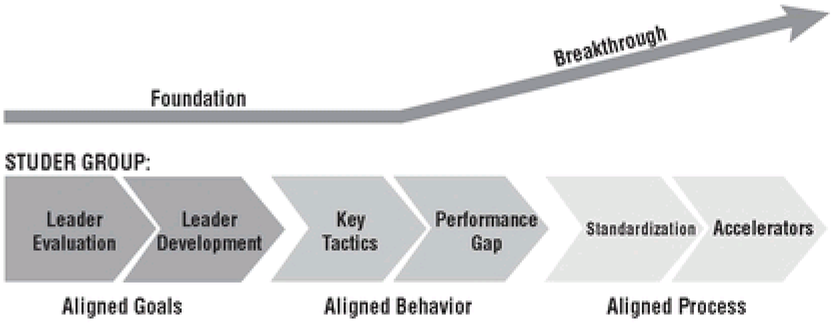
It seems important to mention that evidence-based leadership is a spinoff of *evidence-based medicine*—a philosophy based on using current “best evidence” to make decisions about the care of individual patients. What works for doctors and nurses will also work for CEOs and managers. It just requires a different way of thinking about how we lead.

Ironically, many organizations balk at standardizing their leadership practices. They standardize all sorts of other (less critical) items, from how they display their logos to what time employees arrive at work to how the phone must be answered. And yet the most important aspect of any organization—leadership—is allowed to be inconsistent.

We have all heard employees say things like: *I will work for* this *boss but not* that *one,* or *The north-side store is so much better than the other ones.* And we’ve all heard them ask questions like: *Why do that leader’s employees get to interview potential co-workers and we don’t?*. . . or *How come employees can get away with behavior with some bosses but not others?. . .* or *Why does this leader get a better evaluation than a higher-performing person who works for another boss or in another division?*

The tools and techniques in this book will stop those comments and questions. They will help virtually any organization get its leadership practices aligned.

At the beginning of each chapter you will see this graphic:


Breakthrough
Foundation
STUDER GROUP:
Leader Evaluation
Leader Development
Key Tactics
Performance Gap
Standardization
Accelerators
Aligned Goals
Aligned Behavior
Aligned Process

It illustrates how the components of evidence-based leadership work together to create results that last. A circled area on the graphic will show you where the tactic addressed in that chapter fits into the process.

As you can see, there are three major components to evidence-based leadership: *Aligned Goals, Aligned Behavior,* and *Aligned Processes.* The book goes into detail about how to implement the tactics under each component, but here's a brief overview:

- *Aligned Goals.* Organizations must implement an objective evaluation system that tells leaders not only what they're supposed to be doing, but also what their priorities are. In addition, leaders must be thoroughly trained in order to be successful.
- *Aligned Behavior.* There are certain behaviors that an organization must agree to implement at the leadership level to ensure that every employee gets a consistent experience—whether it's the presence of daily rounding or a certain way of showing appreciation. (These aligned behaviors cascade down to employees to create a consistent experience for customers.) Standardizing leader behavior ensures predictable responses from our employees. And aligning behaviors forces us to deal with performance gaps. We must move low performers up or out or eventually our improvement efforts will not be sustained.

- *Aligned Processes.* We must identify certain processes that are consistent throughout the company—how people are hired, for instance. Consistency in process allows people to move more effectively and opens the door to acceleration—the phase in which results start getting better and better.

Let me take a moment to explain how I've categorized the tactics in this book.

Chapters 1 through 3 cover the three most powerful **Key Tactics** a company can adopt: *high, middle, and low conversations, rounding for outcomes,* and *managing up*. Even if a leader takes none of the other suggestions in this book, he or she usually finds that implementing these three tactics leads to big dividends.

You might think of Chapters 4 through 8 as **The Core.** This section covers the philosophy behind the tactics and explains the intricacies of reducing leadership variance, measuring the important things, aligning behaviors with goals and values, and training leaders. It creates the foundation of an organization so all employees are working toward the same goals and all employees are held accountable.

Chapters 9 through 15 focus on **Employee Tactics.** We'll learn how to determine what employees really want from us—which is the heart of evidence-based leadership—and how to give it to them. We'll also learn how to build individual accountability in people and how to benefit from the wealth of knowledge our employees possess.

Finally, Chapters 16 through 19 reveal critical **Customer Tactics.** We'll discuss various tools and techniques leaders can use to build a culture around service. When an organization understands what "great service" really looks like to its customers, it has a much greater likelihood of consistently providing it. The result is that customers keep coming back and refer us to their friends, family members, and colleagues.

Please understand: You do *not* have to adopt every single tactic in this book to enjoy significant results. Decide which ones make the most sense for your organization and get started on those. However, the foundation described in the Core chapters is necessary if you are to achieve breakthrough.

Likewise, you don't have to follow a particular sequence. You may want to begin with one of the three very powerful tactics we explain right up front—high, middle, and low conversations, rounding for outcomes, and managing up—because we've found they have a tremendous impact on organizational performance.

Figure out what you want to accomplish and dive right in with the tactic that best fits your goals. The sudden improvement you see will boost morale and motivate everyone to strive for even better results. Remember to align these behaviors with all leaders so the results last.

By the way, don't worry that you're creating a company of lookalike leaders; each person will always bring his or her own personality into the workplace. What you *are* doing is creating consistency based on the foundation of best practices. You're also creating a culture of excellence. A great culture outperforms strategy every time. A great culture, combined with a great strategy, is unbeatable.

And here's the bottom line: Not only will your customers have consistently excellent experiences with your company, your employees will as well. Happy, loyal customers and happy, loyal employees are two sides of the same coin—and that coin is the currency that buys you results that last.

KEY TACTICS

CHAPTER 1

UP OR OUT

Deal with Low Performers and Move Your Organization to the Next Level

Why This Chapter Is Important

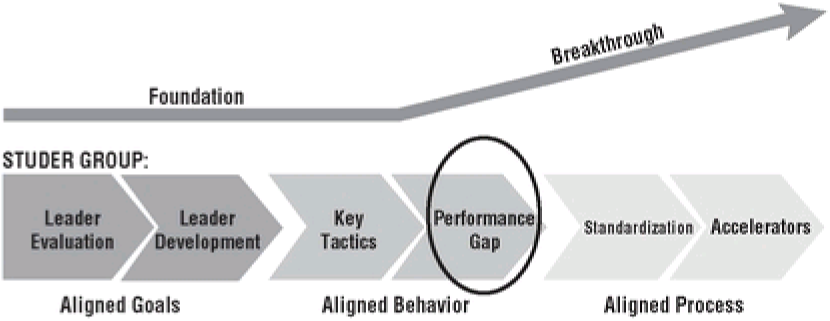
MOST ORGANIZATIONS DON’T HAVE TROUBLE *GETTING* BETTER RESULTS AT first. The problem lies in *keeping* them.

Much like marathon runners, companies hit a performance wall. After their initial achievements, they find themselves running with an anchor dragging behind them. And the name of that anchor is often “the low performer.” Until low performers are moved up or out, an organization or department will never move beyond short-term gains. The wall will stop progress every time.

And that fact is why I put this chapter up front.

I’ve heard many leaders say that step one is to get everyone on board. I disagree. *You’ll never get everyone on board.* At Studer Group, we have found that 34 percent of people will improve their performance and stay at their new higher level, 58 percent will do so *if* their behavior is properly reinforced, and 8 percent will flat-out refuse to budge.

Figure 1.1 Evidence-based Leadership


Breakthrough
Foundation
STUDER GROUP:
Leader Evaluation
Leader Development
Key Tactics
Performance Gap
Standardization
Accelerators
Aligned Goals
Aligned Behavior
Aligned Process

This chapter is about spending 92 percent of your time retaining the 92 percent of your employees who want to be on board, and 8 percent of your time dealing with the 8 percent who don't. The outcome is results that last.

• • •

Whom do we take home with us every night? Who dominates our conversations about work? Who causes the vast majority of the problems we face? It's low performers. They are the men and women who block our efforts to build lasting results. They drain the energy, initiative, and creativity right out of us and our organizations.

Have you ever walked into your department and had the distinct feeling that one co-worker was holding you and the others hostage? Is there an employee in your company who keeps you guessing—someone who follows path A for several weeks, then suddenly, with a sense of glee, zigzags onto path B? Have you found yourself worrying more about how one particular employee might react to a new process than about anyone else in the entire organization?

If you recognize any of these scenarios, you've experienced firsthand the devastating impact of the low performer. Consider this classic example:

> Karen handles the corporate web site. She is intelligent and has moments of brilliance. However,

> she talks negatively about all others involved in the programming of the web site. As she "manages down" the site and others who work on it, the rest of the company loses confidence and faith in the site. At the same time, tasks that have been given to Karen just aren't getting done. Every three weeks or so she puts forth a flash of effort, but the rest of the time nothing seems to happen and negativity continues to breed in the office.
>
> When you meet with Karen, she always has an array of excuses as to why her items aren't getting completed. She may then follow up this litany of blame and finger-pointing by offering an ambitious new Internet proposal. Frankly, Karen's hot-and-cold work ethic and her negativity are wearing you out. Her co-workers just try to work around her to the best of their abilities.

Here's the unpalatable truth: Most organization leaders spend 80 percent of their supervisory time on the "Karens" in their companies. Although we wish these low performers would leave, they bring new meaning to the word *tenacious*. The Karens of this world know from experience that they can outlast the latest "change initiative" if they just hang on a little longer. They have outlasted more than one supervisor. Their workplace prayer is "This, too, shall pass."

LOW PERFORMERS COME IN MANY SHAPES AND SIZES

Your low performer may not look like time-wasting, deliberately inconsistent Karen. She may look more like rude, surly, disruptive Mary, who actively undermines every management policy and nearly dares you to fire her. Or maybe your low performer resembles arrogant salesman Eric, who specializes in pitting one co-worker against another—in between the roster of cell phone calls, text messages, and games of computer solitaire that seem to take up his workday. (Needless to say, after three weeks of no sales—just when you're on the verge of letting him go—Eric brings in a big contract.)

Leaders can be low performers, too. Think of a leader who says all the right things in meetings but seems to go back and manage her employees in a completely different manner.

As you can see, low performers don't fit a single neat stereotype. Generally, though, they can be recognized by their penchant to coast along with their inconsistent work output, collecting their paychecks and infecting everyone else with their negative attitudes. When we try to initiate change in our organization, it's the low performers who dig in their heels and resist—sometimes to our face, most often behind our back.

Once after coaching a manager on how to address a low-performer situation, I checked back to see how the conversation had gone with this difficult person. She told me, "He convinced me that *I* was the problem." Amazing, isn't it? Low performers are masters of blame and diversion. These tactics are their special survival skills. When confronted, they will do one of three things:

1. Blame others for their low performance.
2. Point the finger at you, claiming that you haven't given the proper training or tools.
3. Unload some personal problem with the aim of playing on your sympathies and diverting attention away from their low performance.

We, leaders tell ourselves that a warm body is better than a void in the company. We'd rather have a familiar personnel problem (the devil we know) than hire a whole new set of problems (the devil we don’t). Or we may play the “blame game” and say Human Resources is the culprit and won’t let us fire the low performer. Or we may even blame that ever-popular scapegoat, the union, for protecting him or her.

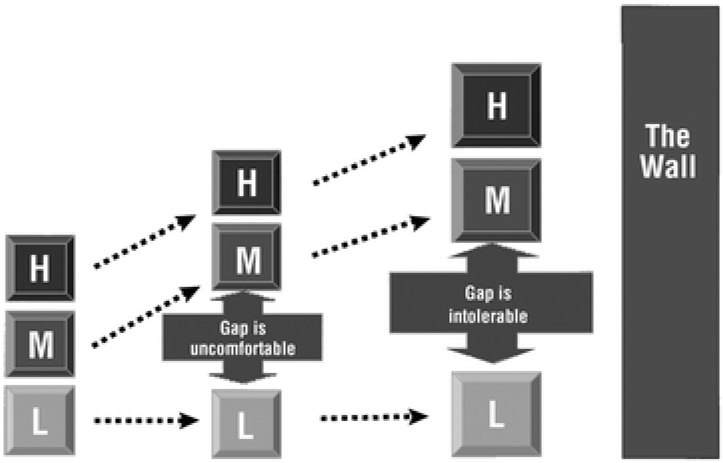
As you read this, you’ve probably already started thinking about the low performers in your organization. We all know who they are. They are the people we usually work around when we really want to get something done, the leaders from whom employees are constantly seeking to transfer away. We’re willing to admit that our low performers don’t contribute often—and in some ways we’ve made our peace with that fact—but we may not realize how much real damage they do to our organization.

HOW DO THEY DAMAGE? LET US COUNT THE WAYS . . .

First of all, in a company where low performance is allowed to exist, customers get neglected. Low performers may ignore them—or at least fail to fully engage in helping them—and everyone else is too busy picking up the slack to serve them properly. In this way, low performers squelch profitability and service goals.

Yet, customer neglect is only the tip of the iceberg. Here’s why. As they grow, change, and move toward peak performance, all organizations hit a psychological wall. High and middle performers come to perceive the performance gap between themselves and the low performers as unfair, thus they begin to pace themselves and results tail off. The organization may even slip back to lower performance levels than before. Meanwhile, our Karens, Marys, and Erics spread distrust and misinformation as they pull others, particularly the middle performers, down to their level. They "knew the new systems would not work," and don't hesitate to tell their co-workers. (See Figure 1.2.)

Figure 1.2 The Gap Is Intolerable (H = high, M = middle, L = low)



Once this occurs, employees lose faith in their organization's ability to create and sustain long-term gains. Many leaders don't see their own failure to address low performers as the problem. Instead they embark on a search for a new "program of the month." Because low performers aren't being properly handled, their organization's performance is inconsistent. They go up, then they go down, and then (maybe) they go up again. The problem is that the subsequent "ups" aren't quite as high as they were before because leaders can't get their people as excited as they did early on.

This slow spiral into mediocrity is only part of the picture. Another reason performance suffers is that the top staff members leave. High performers simply won't stay in an environment where low performers are tolerated.

Eventually, what's left is an organization of medium and low performers trudging along.

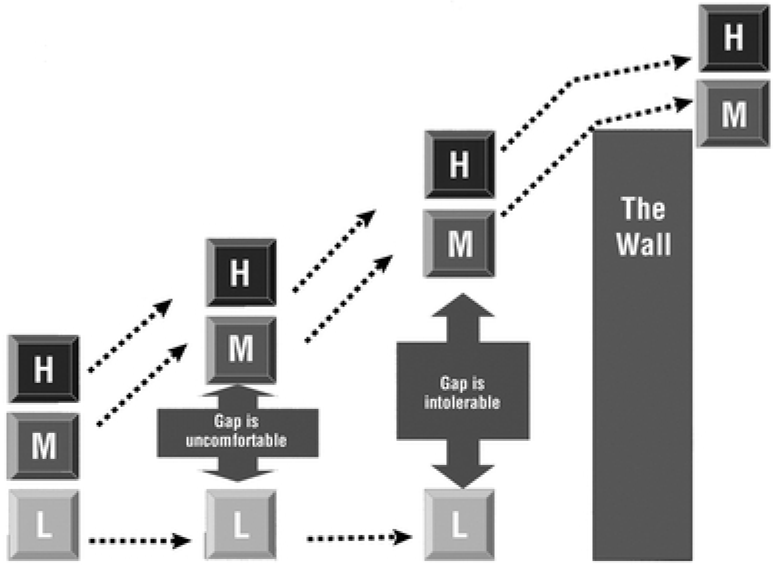
REVERSING THE SPIRAL: HIGH, MIDDLE, AND LOW CONVERSATIONS

So how can you reverse the spiral into mediocrity and produce long-term high organizational performance? *You must do something about the low-performer problem.* You must instigate conversations specifically designed to re-recruit high performers, develop middle performers, and hold low performers accountable. Here's why this solution works: It creates an uncomfortable gap as low performers become more isolated from their higher-performing co-workers. Ultimately, low performers improve or leave, which unlocks the full potential of the organization as it scales the wall separating it from peak performance. (See Figure 1.3.)

WHO'S WHO IN TERMS OF PERFORMANCE

Figuring out who's who in your organization is the first step. In our work at Studer Group, we have found the best approach is to place your staff into high-, middle-, and low-performance groups. A useful tool is the Differentiating Staff Worksheet, which ranks each employee across five performance areas: *professionalism, teamwork, knowledge and competence, communication,* and *workplace (or safety) awareness*. (See Figure 1.4.)

Figure 1.3 Over the Wall



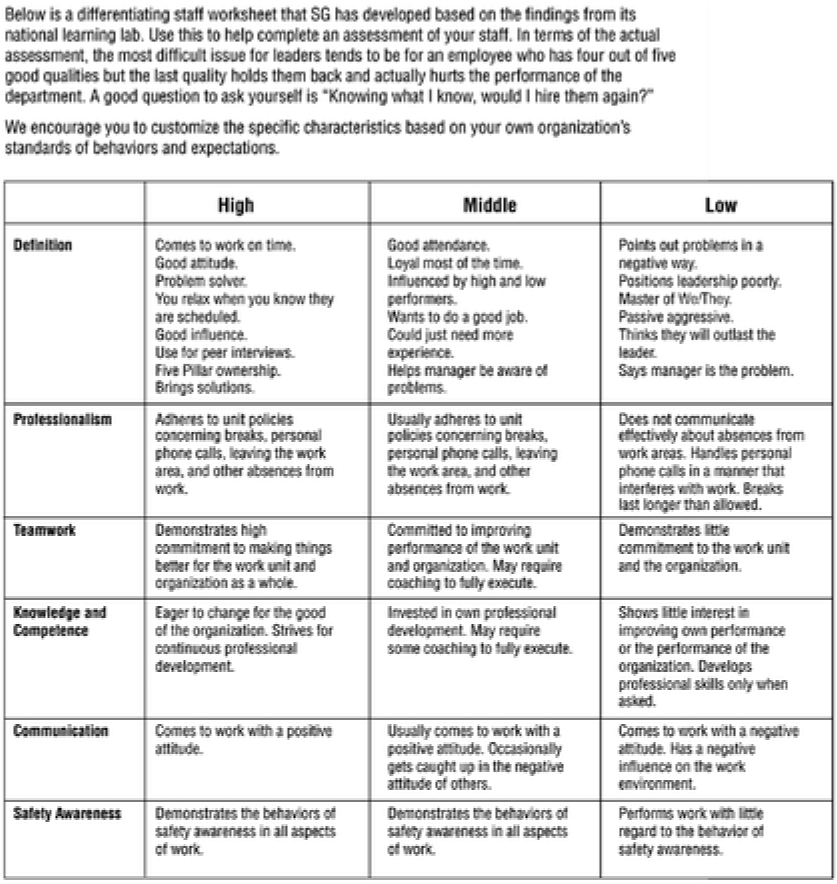
As you evaluate each staff member in these areas, you examine how well he or she adheres to policies, demonstrates commitment to the organization, strives for continued professional development, and comes to work with a positive attitude.

You'll find that your high performers create solutions when problems arise. Middle performers can identify a problem, but may lack the experience or self-confidence to bring solutions to the table. Low performers blame others for problems, demonstrating a real lack of ownership.

During this evaluation process, you will most likely run across at least one employee who is technically competent but difficult to work with in some way. If he is very talented, you are often tempted to rate him a high or middle performer. You shouldn't. High and middle performers must be excellent both technically *and* as team members.

In fact, we have recommended to our clients that they terminate employees—even leaders—who get results but don't role model their organization's standards of behavior. Such employees are very damaging to overall employee morale. The harm they do in this area outweighs the good they do in others.

Figure 1.4 High-, Middle-, and Low-Performers Conversation



Below is a differentiating staff worksheet that SG has developed based on the findings from its national learning lab. Use this to help complete an assessment of your staff. In terms of the actual assessment, the most difficult issue for leaders tends to be for an employee who has four out of five good qualities but the last quality holds them back and actually hurts the performance of the department. A good question to ask yourself is "Knowing what I know, would I hire them again?"

We encourage you to customize the specific characteristics based on your own organization's standards of behaviors and expectations.

	High	Middle	Low
Definition	Comes to work on time. Good attitude. Problem solver. You relax when you know they are scheduled. Good influence. Use for peer interviews. Five Pillar ownership. Brings solutions.	Good attendance. Loyal most of the time. Influenced by high and low performers. Wants to do a good job. Could just need more experience. Helps manager be aware of problems.	Points out problems in a negative way. Positions leadership poorly. Master of We/They. Passive aggressive. Thinks they will outlast the leader. Says manager is the problem.
Professionalism	Adheres to unit policies concerning breaks, personal phone calls, leaving the work area, and other absences from work.	Usually adheres to unit policies concerning breaks, personal phone calls, leaving the work area, and other absences from work.	Does not communicate effectively about absences from work areas. Handles personal phone calls in a manner that interferes with work. Breaks last longer than allowed.
Teamwork	Demonstrates high commitment to making things better for the work unit and organization as a whole.	Committed to improving performance of the work unit and organization. May require coaching to fully execute.	Demonstrates little commitment to the work unit and the organization.
Knowledge and Competence	Eager to change for the good of the organization. Strives for continuous professional development.	Invested in own professional development. May require some coaching to fully execute.	Shows little interest in improving own performance or the performance of the organization. Develops professional skills only when asked.
Communication	Comes to work with a positive attitude.	Usually comes to work with a positive attitude. Occasionally gets caught up in the negative attitude of others.	Comes to work with a negative attitude. Has a negative influence on the work environment.
Safety Awareness	Demonstrates the behaviors of safety awareness in all aspects of work.	Demonstrates the behaviors of safety awareness in all aspects of work.	Performs work with little regard to the behavior of safety awareness.

SCHEDULE THE CONVERSATIONS

Next, use an employee tracking log to monitor each interview. The log should include name, rating, initial meeting date, and follow-up date and comments.

Introduce the interview process at an employee meeting. Tell your people that the corporation is committed to feedback and professional development. Add that over the