

Management Ideas



FOR STILL BETTER

RESULTS

RELATIONS

REPUTATION

a monthly newsletter to key executive-leaders
on practices, possibilities and ideas generally
for stepped up performance
edited by

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on problem-solving and creative ideas

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3486 THE ART OF DISCIPLINE:

General Srinagesh, the first Principal of the Administrative College of India, used to say: The reason we have discipline in the services is we understand, respect and observe discipline. It has a positive connotation for us. In civil life it seems far different. A delightful article by a fellow professional Bill Murray on The Art of Discipline makes it operationally clear.

Don't ever expect to end up the good guy after you've disciplined an employee. From birth, we're programmed to see any sort of corrective action as a threat. Discipline, since childhood was equated to one thing -- punishment!

I can vividly remember the sting of a switch on the back of my legs in the name of "corrective action." Staying after school, writing "I will not..." on the blackboard 100 times, and the legendary "note to the parents" served as a control mechanism for most of us.

Our pattern of handling these situations in today's business environment, as giver or receiver, is impacted by what we learned as children when we were punished.

How you handle discipline within your organization is one of the most delicate matters you'll confront. Too little discipline draws no response and a challenge to your

authority and too much damages the working relationship, removing the creativity and productivity you're seeking. Any approach has to be defined by three words: Firm, fair and consistent.

Why do you criticize? Because you're unhappy with someone? Because your ego needs a boost, and you feel a need to reiterate your rank and status? Because you need to vent frustration? If so, please consider a career in pro wrestling, not managing people. Criticism should only be used to prevent the recurrence of poor behaviour.

1. Before you discipline, get the facts. Judge on the events, not the personalities! Judge the issue in question before relating it to past occurrences.

Back up your reasons with hard evidence. Ask yourself:

- * Is the conduct a violation of company rules?
- * Is the rule published?
- * Did the employee know?
- * Is the rule clear?
- * Is it reasonable?
- * Have others violated the rule? How were they handled?
- * Do my records support the discipline?
- * Have I thoroughly and rationally investigated the problem?

2. Leave out the personal remarks. They're unnecessary, harmful and unprofessional. Stay with the facts and the corrective action to be taken.

If you need time to collect your thoughts, emotions and facts, **suspend** the employee pending investigation of the problem. Losing your temper costs you control of the situation. Remember, discipline is done for positive reasons. Cool off first.

3. Don't wait too long. So many times, you want to address a problem, but then wait until "the time is right."

4. Criticize in private. If immediate action must be taken, calmly ask the employee to your office to discuss the matter quietly and rationally. Remember that you're dealing with an adult, and their dignity must be respected at all times.

5. Keep it brief. If your criticism is legitimate, has been properly researched and is supported by past action, the employee will already know the purpose of the meeting and should know the disciplinary step to be taken. If he's surprised, you've done something wrong. Debating your point serves no useful purpose. After allowing the employee to state his point, conclude the meeting.

6. Document. It's wise to document both verbal and written warnings. For legal purposes, it's always wise to give the employee written confirmation of the discussion, with a description of the infraction, previous related problems and corrective steps to be taken. Pulling from memory doesn't hold up in court. Let them read, sign and list their objections. Give them a copy.

7. Commend before you discipline. An old boss used to call this the "velvet brick." You want to hit him in the head but not so hard that he can't recover. Point out the positive things the employee offers and then stress the areas that need to be improved.

8. Never talk about the action taken to the employee's peers. If you gloat on your action or embarrass the employee, you've just set a negative relationship that will never be overcome.

9. Follow up. Don't threaten disciplinary actions for future occurrences if you aren't willing to enforce them. And don't wait for it to happen again to react. Monitor the situation to offer coaching that will stop the negatives.

10. Don't mark employees to fail. If you do, you will nearly always get your wish. People are what you make of them.

(Cont. from 3485 June issue)

3487
R&D
HOW THEY
DO IT
IN GE

However, any work going beyond the exploratory area now has to be financed 100 per cent by a business out of its own funds. The result is a closer watch by a business on how its money is spent and a concern on both sides to ensure the results can be rapidly commercialised.

"It is very rare now that a programme is in the applied development area and is not tied in on the critical path of a business's product plan," says Robb. "They have limited dollars and they are trying to spend them on things that are going to be important."

The second change, linked to the first, was in the way the centre communicated with the various businesses. It previously had a group of full-time liaison managers, each of whom looked after several GE businesses.

Robb replaced them by assigning senior Schenectady figures - the managers of the various laboratories - to spend part of their time being the centre's rep gathers ideas from all the centre's laboratories for research which might help his client business and each spring he puts together a funding proposal which he pitches to the business.

"He is to some extent a salesman," says Robb. "He comes back from the business with a commitment to fund a certain number of programmes."

The result has been much closer links between the two sides, with, for example, the Schenectady manager invited to the business's planning sessions and staff meetings.

There are also substantial financial incentives underpinning this co-operation. The more funds a researcher can attract, the more chance he has of getting his ideas patented and into products.

The centre gives an extremely modest \$400 (£200) reward for a patent, but an individual's salary depends in part on performance. Schenectady now also grants researchers GE share options for outstanding work.

A feature of the annual performance review of senior managers is how many products their operations have "transitioned" - an ugly piece of slang, often heard in the centre, which means transferring an idea from the laboratory to the marketplace.

Michael O'Mara, who runs the chemical research centre, says Schenectady scientists no longer throw an idea over the wall to a business division, sit back and say "my job is done".

"People see that if you want your baby to be successful in the market place you have to take on more responsibility." This attitude has been reinforced by a more general GE philosophy encouraged by Jack Welch, the group's chairman, who aims to create a "boundaryless" organisation to cope with the business challenges of 1990s. His idea is both to cut out unnecessary layers of bureaucracy and also to foster the free flow of ideas around the vast organisation.

Robb says Schenectady has always been pretty boundaryless itself, sharing ideas between labs, but it has now become much more open in exchanging ideas with GE's businesses. In turn the businesses are now less suspicious of the centre: "They are prepared to come here and tell us what they are working on, and how much money they have to spend on it, and what the price objective is."

Robb points out that some 40 per cent of the centre's patents and technical papers are produced in co-operation with people in the businesses, while about 75 per cent of the business ideas it puts forward find their way to a commercial application.

Some 40 to 50 per cent of its patents and papers involve teams combining more than one Schenectady laboratory and Robb believes that this is the way of the future, with more and more advances being made by combining two technologies. However, he also reckons that the biggest breakthrough facing Schenectady is not going to be in any particular technology but in research productivity.

Computer capability is on the way, he says, which will allow the centre to "model, or simulate, practically every laboratory experiment that we will contemplate doing even making a metal alloy."

That, in turn, will increase GE's general business productivity by cutting down the cycle time of new product development. And this, management gurus aver, is a key factor for business success in the 1990s.

3488
RISKS AND
REWARDS
OF CASH
INCENTIVES:

*When cash incentives do not work, we tend to blame the concerned people. We curse their cussedness. When things do not work, science suggest, find out why, what reality you have missed, what illusion you have hugged. The following article by Jim Clemmer, the author of the insightful book, *Firing on all Cylinders*, in *Globe and Mail* is rewarding reading.*

REWARDING and recognizing employees is a ticklish business. It can motivate people to explore more effective ways to do their jobs--or it can utterly discourage such efforts.

Here are a few tips and traps:

* Establish a clear link between what people are rewarded for and the organization's priorities. Does everyone see and understand the relationship between their improvements and financial rewards? Too many profit-sharing plans, for example, are disconnected from daily work. The effect of cost control or customer satisfaction efforts on the bottom line is so fuzzy that it's meaningless.

* Be careful when offering money or recognition for employee suggestions. This can lead to conflict rather than co-operation. Individuals and groups often end up jealously protecting their ideas or arguing about the source of ideas. Suggestion systems also separate idea generation from implementation. Effectiveness is a function of how strongly ideas or strategies are accepted and then implemented by the people who can make them work.

Suggestion systems work best in traditional "command and control" or paternalistic organizations. Workers come up with ideas and managers decide which ones get implemented. In a highly involved organization, teams generate and test ideas as part of a bigger focus on improving their own key processes.

* Involve team members, individuals or managers in developing their own incentive and reward systems. A study of group incentive plans in 144 U.S. companies by consultant Towers Perrin concludes that those plans with the highest levels of effectiveness also had the highest levels of employee involvement in design.

Involvement can be achieved through opinion surveys, focus groups, teams that study and recommend, or teams that design and implement the rewards. The best organizations always use combinations of these approaches.

* Despite mountains of evidence to the contrary, many managers believe money is more rewarding than recognition and appreciation. You should balance your incentive plans and reward systems with generous amounts of "thank pay." And make sure

managers have the skills to show recognition when people are doing good work. They often find it awkward to express appreciation.

Reward systems and recognition practices speak volumes about your organization's values. Are they designed and delivered to employees -- or with them? Do they reflect a management view of "we know what's best for you?" Are they partial and piecemeal or part of a larger system and philosophy?

You should ask if financial incentives seek to penalize people and have them "share the pain," or look for ways to make people feel like winners. Are people given paternalistic pats on the head or treated as equal adults?

Like customer service and quality, reward and recognition are highly subjective. Just as they monitor the changing needs of customers, effective leaders constantly try to understand the shifting perceptions and values of everyone in their organization.

3489
LEADERSHIP
SKILL AND
JOB SATIS-
FACTION
AND

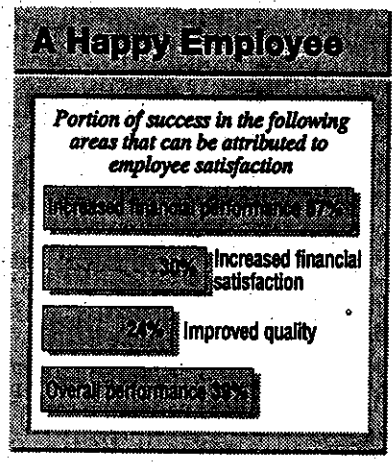
A survey in one country, one part of the country, even in one organization held at one time will not apply for all corporations, for all time. All the same, surveys hold pointers. The following item in Investor's Business Daily is self explanatory.

Investor's Bus. Daily
L.A., CA 92397
3 Cedar Street
Batavia, NY 14020

HAPPINESS IS ...: The No. 1 factor affecting employee job satisfaction is the manager's leadership skills, writes Small Business Reports (May).

In a poll of 25,000 workers by Minneapolis-based training firm Wilson Learning Corp., 69% said this accounted for their job satisfaction. Here's what highly rated managers are able to achieve:

- They demonstrate to employees how their work directly relates to the company's success.
 - They involve employees in making decisions.
 - They offer job-development opportunities and provide ongoing feedback.
 - They recognize and award achievements on a frequent basis.
- "Employee satisfaction isn't just a nice thing to have," Small Business Reports says, "it's crucial if you're to have a successful business."



**3490
THUNDERBOLT
THINKING:
OR GETTING
OFF THE
AUTOPILOT:**

Many play "The Autopilot" - they think and act like an Automation; they are not AWARE of what they are doing, why they are doing. This hurts them. Even this they are not aware.

Entrepreneur Grace McGartland travels the country telling business people to get off automatic pilot. Thunderbolt Thinking, she calls it.

Here are some of her Thunderbolts: ways to stay aware, stay in tune, stay open and charge up for change. Maybe, one will strike you as an idea to apply in your business:

- [] Don't wear a watch all week.
- [] Invite a visitor to spend all day with you to get a new view of your job.
- [] Dance to your next meeting.
- [] Zigzag between highly diverse activities, keeping your mind creative and alert.
- [] Invite reps to your next sales meeting by urging them to wear formalwear. Making it a "black-tie" even stresses its seriousness.
- [] Change work hours and dress code periodically.
- [] Use crystal balls, foil-covered chocolate coins, matchbox cars, magic wands, balloons or other toys to introduce play into business meetings.
- [] Change your frame of reference by standing all day long.
- [] Read something outside your field, from an out-of-town newspaper to your child's school newspaper.
- [] At the start of your next meeting, ask participants to draw their brains.
- [] Many people think in pictures, not words. At start of your next marketing meeting, pass out crayons and ask people to draw their ideas.
- [] Survey a work project team to see who has the most outrageous pet. Adopt that pet as the mascot and code name the project accordingly. (Project Parrot, Project Ferret).
- [] Stack plastic chairs outside a meeting room and ask participants to carry in their own chairs so they can determine the space themselves.

OK. Which one did you pick? Do you have your own Thunderbolt like idea that clicks in your business?

If you have it you surely have - you FAX it to us:
Dr. Atthreya Care: 208 04 04

Interviewing has been described as an art. When you study the successful practitioners you find some key strategies they adopt. Here are some:

**3491
ASTUTE
INTERVIEWING:**

* **Prepare in advance.** Be sure you understand the job requirements and the type of personality best suited for the position. Study the resume and draft a list of questions.

* **Define the interviewers' roles.** If you have several employees interviewing, each should be assigned a role and a different set of questions. You want to make sure that you get all information necessary to make a good decision. One interviewer should be the 'point person,' providing an overview of the company. He should be the most outgoing of the group. Then there's the 'technical evaluator,' who assesses the candidate's experience relative to the job requirements. The 'overviewer' discusses corporate culture and digs into the candidate's interpersonal skills and motivation level. And the 'salesperson,' who may have come on board recently, helps clinch the deal."

* **Talk less.** Interviewers don't spend enough time listening. You should spend only one-third of the time talking about the job, asking questions and responding to questions. Candidates give away tons of valuable information--about their character, work ethic and attitudes--that can help you make a decision. But you must listen between the lines.

* **Probe for information.** Experts recommend "situational interviewing," in which you present a case study related to a specific job function. To a candidate for a customer-service position, you might say, "An irate customer called to complain about a late shipment. How would you account for the delay?" That way, you won't get a canned response. The answers are more spontaneous and insightful.

Open-ended questions also yield revealing information. You don't want the candidate to utter 'Yes' or 'No'. Ask questions that begin, 'Who, what, where, why, please explain.' In an attempt to predict whether the candidate will be a team player and whether he's motivated, you might ask him how he handled conflicts with previous bosses and co-workers.

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