Interview with
Frank Sesno

Asking Questions Leads the Way Forward

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AMAQUARTERLY

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Asking Questions Leads the Way Forward

Author and journalist Frank Sesno spoke with *AMA Quarterly* about his new book, *Ask More.* He discussed how managers can benefit from using the right questioning techniques to tackle the difficulties of employee evaluations.

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Easier Ways to Have Hard Talks with Employees

Performance reviews. If you have worked for any company ever, you have either had to give one, be on the receiving end of one, or both. They make managers and the people that they supervise feel inadequate, not only because of what is said, but what may go unsaid. Often, everyone feels like they are just going through the motions and that nothing being said will actually make a difference.

We take a look in this issue at various aspects of performance evaluation, with advice to managers. For example, Dick Morgan of Rocket Software takes off with "Reviewing Your Reviews," telling readers to "Keep It Simple, Do It Often." Reviews need to be done more than once a year, which can build a relationship of trust in which the manager can more easily share criticism and the employee more easily accept it as constructive.

In "The Art and Science of Evaluation," Matthew Bedwell and Jason Meil talk about how analytics tools can be used by managers to unlock the potential of all the raw data gathered by employee evaluations.

In our cover Q&A, noted journalist and AMACOM author Frank Sesno talks about his new book, *Ask More*. He discusses how asking the right questions can help managers get the answers that can best support decisions and tackle the difficulty of employee evaluations.

Jennifer Sabourin, an attorney at Miller Canfield, discusses in "Appraising the Performance Appraisal System" the guidelines for creating a performance appraisal framework that not only is effective, but also can protect managers and the organization from legal challenges.

Autumn Manning, the CEO of YouEarnedIt, offers CEO insight into doing productive assessments for difficult employees in "Turning Tough Conversations into Constructive Feedback."

And in the AMA Viewpoint, American Management Association offers insight on how "Personal Effectiveness Can Boost Organizational Performance," with a rundown on tools that can assist employees in achieving the best results.

While some managers and employees will still hate evaluations, new ways of doing things can make the process a lot less painful for everyone.

Christiane Truelove

Christiane Truelove
Guest Editor, *AMA Quarterly*

REVIEWING YOUR REVIEWS

Keep It Simple, Do It Often

BY DICK MORGAN

Employee reviews have changed in the digital age.

Gone are the days when Mr. Spacely summoned a terrified George Jetson to berate him on everything from alleged poor performance to the market price of sprockets. (Actually, gone are the days when most people watched *The Jetsons*, so you may have to Google that reference.)

In today's highly demanding knowledge economy, supervisors are trained to be supportive and encouraging, to heap on the praise, and to make every employee feel like a valued member of the team. This kinder, gentler approach misses the point of a performance review, which is to help team members make the best contribution they can to the company while growing as professionals and building strong connections with their supervisors.

CHANGING THE CULTURE

In many companies, reviews occur as part of a formal annual process to assess employee performance. As a result of this structure and schedule, reviews tend to be overwhelmingly positive interactions that "check a box" rather than actually drive operational excellence. The end result is that reviews often gloss over any mention of areas for improvement and, ultimately, lead to organization-wide mediocrity. A cursory review is as harmful for people who need to improve as it is

for those who are doing a good job. That's because knowing that your manager put in only five minutes to tell you how wonderful you are makes even high-performing employees feel like afterthoughts.

The antidote to this tendency is to make feedback a regular occurrence rather than a one-off event. If managers and their direct reports include performance discussions as part of their regular work relationship, it builds trust. In turn, this makes it possible to have frank and candid conversations not only to identify development opportunities but also to head off potential issues well before they become career derailers.

It's never easy to provide, or hear, negative feedback. But if it occurs within the context of a trusted relationship rather than a once-a-year review, it can help improve performance and generate exceptional results. More important, the benefits extend beyond the individual as the entire culture becomes one based on accountability rather than simply meeting annual goals set by a hands-off boss.

FAMILIARITY BREEDS COMFORT

Employees and employers alike have trouble handling constructive criticism at performance reviews because

these meetings are so infrequent. That's why the concept of an annual review is slightly terrifying to most people—unless it's one review out of many. What boss wants his or her one chance per year to talk meaningfully about a worker's performance to be the least bit negative? What employee can keep sufficient perspective not to think, "I meet with this person once a year for an hour, and he needed part of that hour to tell me how I was screwing up?"

The less often you see people, the less inclined you are to give them constructive feedback. The solution is simple: See them more often. Supervisors should build a strong rapport with their subordinates, with frequent meetings (both formal and informal) where anything at all is on the table for discussion. On top of formal meetings and reviews, staff should become accustomed to regular meaningful conversations with their supervisors so that feedback becomes a simple recap of topics that were already discussed outside of a formal review meeting.

The objective is not just to condition employees to expect criticism, but to view constructive feedback of any sort as part of an open and honest relationship with an accessible supervisor. The more often people meet with their bosses, the more they feel comfortable discussing

employee either linger as irritatingly as a stone in a shoe or be an outright disaster in his or her role. With frequent supervisor interactions, these kinds of employees would have had the knowledge necessary to course-correct. In the worst-case scenario, a supervisor who earns the trust of low-performing employees can help them transition out of their role without any ill will and be better prepared for their next jobs.

THE LITTLE LEAGUE RULE

That said, no meeting should be a litany of grievances. Frequent contact quickly turns sour if it's just an excuse to run employees down. The point of regular interactions is to establish trust, and you can't have trust without appreciation. A supervisor who only hands out bad news will gain a reputation for brutal honesty, but unless an employee's idea of a good time is reliving the first hour of *Full Metal Jacket,* he won't trust such a person so much as fear him or her. And someone who comes to every review braced for a miserable experience is going to spend his time on the defensive, rather than listen with an open mind.

To prevent employees from being demoralized, smart managers use the same techniques as Little League coaches, and it's likely the one piece of advice every

> "The point of regular interactions is to establish trust, and you can't have trust without **appreciation**."

anything—what they're doing right, what they're doing wrong, the direction of the business, or just the latest events on *Game of Thrones*.

The purpose of frequent reviews is to build a rapport based on mentorship and mutual respect. Within such a relationship, employees understand that the manager wants them to succeed, and they are far more likely to accept any feedback accordingly.

BREAKING BAD NEWS

Even a company's standouts and stars rely on their supervisors to help them advance their skill sets and careers. After a while, without any constructive feedback, top employees will begin to wonder if their managers have simply lost interest and have no wish to help them improve or, worse, have become complacent and just let their performance suffer.

On the other side of the coin, not everyone has an ideal start to a job, and sometimes interviewers hire the wrong person. Without regular reviews, the chance of such a person self-correcting is slim. You're more likely to see an ill-fitting

supervisor preparing for a review has heard: For every negative, list at least two positives. You'll need at least two because you'll want to start and end with positive reinforcement, with the criticism couched in the middle.

Many supervisors use a similar strategy for annual reviews, but all this does is make employees aware that a portion of this critical facetime was spent focusing on their shortcomings. The praise is swiftly forgotten as mere fluff to cushion the blow, leaving demoralized employees to obsess about their failings. With regular meetings, however, the reviewed parties will become conditioned to expect criticism as part of the relationship with their supervisors and will know it's meant in the spirit of improvement and is consistent with a positive rapport.

If possible, the positives and the negatives should be tied together in a unifying theme, so that employees can learn how their strengths can be used to offset their weakness. If the person under review is highly creative and sociable but has trouble collaborating, a reminder that the first two traits will offset the third might give him or her the confidence needed to jump into group settings.

> "A supervisor who meets with an employee once every two weeks or so can set goals that can be tangibly achieved in two weeks. Both parties can spend part of the next meeting discussing an ongoing project."

FREQUENT MEETINGS, REASONABLE GOALS

Another disadvantage of the yearly or quarterly review is that it only allows supervisors to set yearly or quarterly goals, the sorts of tasks that involve long-term self-improvement and dedication. Such pie-in-the-sky objectives are inspiring and aspirational, but not necessarily very practical.

A supervisor who meets with an employee once every two weeks or so, however, can set goals that can be tangibly achieved in two weeks. Both parties can spend part of the next meeting discussing an ongoing project. If at all possible, managers should have real, concrete data waiting to show each employee, to back up both criticism and praise. When employees have actual results to look at, they can watch their own progress and understand the truth of any claims.

This technique accomplishes the neat trick of letting employees pursue long-term goals without becoming overwhelmed by the sorts of objectives that take a year or more. Working with their supervisor during regular face-to-face meetings, individuals can plan out a step-by-step strategy to get where management wants them. Play your cards right and you won't have to tell the employee there's a long-term plan at all. Many employees expect their managers to focus on the big picture, so a leader who's willing to work with subordinates closely on achievable goals feels like a leader who's interested in their employees' day-to-day efforts.

THE VALUE OF TRUST

Regular and honest interactions with subordinates cost very little but produce enormous value in both rapport and trust. For many employees, an open relationship with their co-workers and supervisor is more important than salary and benefits. Employees who feel appreciated, and who can count on their leaders to consider their needs and foster their careers, are far more likely to remain with a company than those who feel like a cog in a wheel.

Of course, it's a cliché to say that trust is a two-way street, but you'd be surprised by how many supervisors need to be reminded. Many employers worry about relying on employees to do their best job, while providing lip service to "teamwork" and "company culture" at best. If you want to keep top performers in key positions, you have to earn their devotion and their trust.

One of my personal pet peeves as an HR leader is supervisors who demand their subordinates' best efforts while barely lifting a finger to give those subordinates the feedback they need to be their best selves. Many times, you'll see a supervisor ask an employee to write a self-critique before an annual review. Then the worker gets his review and finds his own words staring him in the face. All the supposed superior did was copy-paste the employee's own self-review, asking for an hour or more of work and putting in maybe five minutes of their own effort. Such a slight may be minute, but it'll sink the employee's trust like a torpedo.

Earning trust means, at the very least, putting in as much effort as your employees do, and a review is something you do for the employees' benefit. What does it mean to them when you can't be bothered to even write out your own thoughts?

Ultimately, employee reviews themselves are about the journey. The employee and supervisor share the ultimate goal of optimized improvement, and they must work together to set the incremental goals that get them there, developing a strong relationship as co-workers, and even friends, along the way. People who sit down face-to-face with their managers more frequently are more prone to trust those managers and take them at their word, in terms of both praise and criticism. AQ

Dick Morgan is senior vice president of human resources at Rocket Software, a global technology company based in Waltham, Massachusetts.

CHANGE COMMUNICATION
Lessons and Practices

BY BETH SWANSON

Change. Whether we like it or not,
it is essential to our survival.

In life and in work, as individuals we strive for equilibrium, but that quality remains beyond our grasp in the real world. As the Society for Human Resource Management (SHRM) has said, "Rapid and regular organizational change is the new normal in many industries today."

As we work our way through reorganizations, transformations, and more, employees and leaders are reporting increased levels of change fatigue. How can we make change easier? A plethora of research exists to tell us what makes change initiatives successful—and certainly success is one way to alleviate the stress that comes with change.

So whether your organization plans to revamp processes or people roles or launch a large-scale transformation, it will help to keep the proven lessons and practices of successful change initiatives in mind. Here's what some of the research shows:

Change without crisis can be difficult to drive. Why? Without a crisis, there's no apparent urgency. Harvard change guru John Kotter, author of *A Sense of Urgency* (Harvard Business Press, 2008), observed that change initiatives tend to fail when they do not "set the stage for making a challenging leap into some new direction."

The marketplace changes continuously, and organizations—and their employees—must keep up. When the attitudes and behaviors of people within an organization remain unchanged despite acknowledging this truth, a reality check is needed. Leaders in these circumstances must paint a very clear picture of the future for the entire organization, according to Jonathan Day and Michael Jung in "Corporate Transformation Without a Crisis" (*McKinsey Quarterly* No. 4, 2000). "The leader of such a program faces a daunting challenge: nothing less than creating a new corporate reality that changes the way

employees, customers, and investors perceive and experience the company," said Day and Jung. "This future reality must be so clear and impressive that it seems not only better than today's reality but also necessary, even inevitable."

Frequent communication influences strategic business alignment. Alignment or "line of sight" is achieved when employees understand, support, and are able to execute an organization's strategy. This isn't always easy to convey. We must explain to all stakeholders what the organization wants to achieve, why we can't accomplish it without the proposed change, and how they are going to play a role. Until they comprehend these things, the strategies remain elusive and intangible.

A study conducted in 2005 by the Erasmus Research Institute of Management ("The Influence of Employee Communication on Strategic Business Alignment," by Cees B. M. van Riel, Guido Berens, and Majorie Dijkstra) shows that employees who perceive workplace communication content (what is communicated), climate (how communication occurs), and flow (who communicates how much information) to be adequate are more likely to have favorable attitudes toward strategic initiatives, which can result in a higher degree of willingness to change behavior. And ultimately, behavior change is needed to achieve business outcomes.

It is possible to alleviate the detrimental effects of change on employees and productivity. While transformational changes are for the ultimate good of the organization, they can be uncomfortable for individuals. This discomfort is apparent when we measure employee stress levels, job satisfaction, and intent to leave. An organization's leaders and human resources team can help increase employee commitment

to the change and help alleviate these effects by improving communication quality, perceptions of justice, trust in management, and employee input during the change process, according to the SHRM Foundation's 2015 report "Leading Effective Change: A Primer for the HR Professional."

Openness and honesty about all aspects of the change build trust in leaders and organizations. Strive for simply worded, honest, and clear communication. This communication is essential to explaining complex strategies to employees and keeping the organization moving forward. Traps that waylay leaders as they communicate include giving credence to rumors, speculating on the unknown, using business catch phrases instead of explaining difficult concepts, and spouting rose-colored views of the future. Leaders who want their employees to trust them must share the whole truth about why and how change will occur and the effects that will be felt by employees.

Walk the talk. Role modeling by executives reinforces desired behavior throughout the organization. Executives have great impact and visibility during change initiatives. If they are talking about needed change but behaving in the same old ways outwardly, the message leaves their employees befuddled.

In both their words and behavior, leaders must indicate the urgency for change and their willingness to lead and participate in it. Leaders who aren't sure what they should change about their own actions, or who exhibit a reluctance to change, can benefit from 360-degree feedback, according to McKinsey's Scott Keller and Carolyn Aiken in the report "The Inconvenient Truth About Change Management."

Prepare for the many emotions and reactions expressed during layoffs. Some changes require reorganization or layoffs. People who have been part of a team may not be going forward in the same roles—and some may no longer be with the organization at all. People and role transitions should be planned to first accommodate those who are affected directly (those being let go or whose roles will change) and next to inform and handle the concerns and questions of employees who are indirectly affected.

Many organizations underestimate how specific employees will be about the information they want. No matter how unlikely, those who remain will feel the repercussions of layoffs. (Research shows that the lingering effects can last for several years.) They want to be reassured that all employees are being treated fairly. In some cases, they may be envious of those who receive bonuses or severance packages and feel frustrated about taking on work as team members leave, according to MIT's guide "Keeping Remaining Employees Engaged after a Layoff." Line managers and executives who are surprised by these reactions will need support and coaching from their partners in human resources.

My firm helps clients explore and deliver improved performance through employee engagement and communication. Never is this process more crucial than when an organization is in the midst of change. AQ

Beth Swanson is a consultant and leadership team member at On the Same Page. For more than 20 years, she has helped business leaders in retail, manufacturing, aerospace, defense, and pharmaceuticals to engage with employees and other stakeholders to drive concrete business results. She has served as president of the Communication Leadership Exchange and is on the board of PRSA Orlando, where she guides public relations practitioners through the accreditation process.

PERSONAL EFFECTIVENESS
Can Boost Organizational Performance

The rise of mobile and cloud services has a dark side, and it's not what you think. With 24/7 connectivity, employees never fully disconnect from work.

After an initial honeymoon period in which employees are able to get more done, this constant connectivity ultimately undermines their productivity. Text messages, tweets, Snapchats, phone calls, emails—every communication is an interruption of the employee's concentration.

Constantly shifting between tasks or attempting to multi-task takes a heavy toll on employees. Studies have shown that the brain can only concentrate on one task at a time, and requiring it to switch rapidly from one task to another will, over time, cause mental overload and exhaustion.

The effects of multitasking are widespread: In a Deloitte study of 2,500 business and HR leaders in 94 countries, 65% of participants reported "overwhelmed employees" as an "urgent" concern. A 2015 American Management Association study, "Stress Management and Mindfulness in the Workplace," found that more than half of organizations suffer from above-average stress levels. The same study found that very few leaders were equipped to effectively manage stressed-out employees. Worse, several national studies, such as one by the Families and Work Institute of more than 1,000 Americans, have indicated that more than half of the U.S. workforce is burned out and at a breaking point. Workplace stress not only decreases productivity, it increases absenteeism, illness, healthcare expenditures, and turnover.

Stress also plays a role in how motivated employees feel to work hard for a company. The Towers Watson "2014 Global Workforce Study," which surveyed more than 32,000 workers, revealed that more than half of people who report high stress are disengaged from their work—51% reported feeling disengaged, compared with 9% who said they felt engaged. The survey also reported that the lower the stress level of employees, the more likely they are to be engaged in the workplace, with 57% being highly engaged, and only 8% in the disengaged group. This is not a work-life balance issue. It's a management issue, and smart organizations are catching on.

AMA's "Stress Management and Mindfulness in the Workplace" study showed that as much as 49% of organizations are offering employees training to battle workplace overload. Xerox's research report "Working Well: A Global Survey of Workforce Wellbeing Strategies," issued by the company in November, found that while only 33% of organizations report a strong culture of well-being, almost 90% of organizations aspire to this, with increased productivity being cited as one of the primary reasons. "Healthy, productive employees are the lifeblood of a company," said John Gentry, president, Xerox HR Services, in announcing the release of the report. "In the past, the thought that healthy workers meant productive workers was somewhat of a theory. Today with aggregate data and analytics, there is a much stronger case for return on investment."

SMALL CHANGES IN HABITS, BIG JUMPS IN PRODUCTIVITY

Mastering personal effectiveness and productivity is a fundamental part of every employee's success, no matter where he or she is in the corporate ladder. In fact, a 2015 study by AMA on "Business Skills That Set High-Performing Organizations Apart" found that as leaders advance in the hierarchy, some of their basic personal effectiveness skills suffer. The same study indicates that employees at high-performing organizations consistently score higher in areas such as goal setting, time management, and emotional intelligence. This is why personal effectiveness is one of the four core areas in AMA's new Total Professional Framework: It's a critical part of leadership development.

Personal effectiveness skills help employees:

• Identify and prioritize projects

• Simplify and automate everyday tasks

• Stay focused and respond quickly to shifting priorities

• Manage interruptions effectively

• Make good decisions under pressure

Teams are made up of individuals, and small changes in individual behavior can really add up and push organizational productivity forward. Further teaching employees to focus their energies on tasks that have a high return for the organization energizes employees as they see their contributions directly affecting the bottom line.

Consider how much time employees waste in meetings. In a survey by Harris Poll for CareerBuilder, 23% of employers said meetings were "productivity killers." That's a huge opportunity for companies to both save valuable time and improve employee engagement. Teaching the meeting facilitator to use basic time management and project management best practices not only makes meetings more productive, it refocuses the rest of the employees on high-return tasks.

REAL CHANGE IS MORE THAN SETTING GOALS

If changing people's behaviors were as simple as setting goals, everyone would be thin, fit, and rich. Creating real improvement is challenging. Research from neuroscientists such as David Rock shows that people are hard-wired to resist change. It not only requires effort but also invokes fear of failure and the unknown. It's painful. Compound that with the way most employees think of productive behaviors—that they are more work and often require sacrifice—and it's no wonder so few are able to achieve lasting change.

Real change requires a conscious and deliberate shift in the way we think about goals and the habits that lead to success. These changes in thinking don't focus on eliminating negative

What's the One Skill Leaders Need to Be Agile?

Are there skills leaders need to be more agile and effective in today's world? AMA asked leadership and agility experts for their opinion.

John Mattone: Yes, there are competencies that make leaders more agile, but it starts with courage, which is an "inner-core" element, and leaders who role model and embody being courageous. It's one thing to know right from wrong, but taking the right action based on this knowledge is the true demonstration of courage. Leaders of courage inspire their teams to achieve more than they may have thought possible. They inspire the "will do" and "must do" in people.

Courage is also the foundation of agility. The culture of agility in any business starts with a culture of courage. If a business has a senior team of leaders who fail to embody and coach others in the very essence of what it takes to be courageous, then there is no chance for that business to create a culture of agility. The inner-core very much drives the outer-core.

John Mattone is widely regarded as the world's leading authority on corporate culture and leadership. The author of eight books and three bestsellers, he is one of the world's most in-demand CEO coaches and keynote speakers.

Paul Falcone: Yes, there's a leadership skill that's more important than others, but it's not what you would expect. Today leaders need to recognize the importance of vulnerability. Great leaders make it safe for their people to be vulnerable. People need to be able to express their concerns, reveal weaknesses, and ask questions. There has to be an open and collaborative communication between leaders and followers. Employees are afraid to show any kind of weakness because they are afraid to be let go. A wise leader will be able to tell these people, "I can't guarantee anything. We don't know what will happen. But that doesn't mean fear has to define our experience. Even in the face of difficult changes, how you react to that is crucially important. It defines who you are."

On an organizational level the most important thing to achieve agility is succession planning. Because employees worry about their jobs, they make themselves so important they can't be replaced. You have to take people out of the lockdown zone. They have to be resilient and self-motivated to want to learn new things. That requires the organization going from rewarding an individual contributor culture to becoming a team culture. We must develop people and have a strong bench.

Paul Falcone is a bestselling author, a top-rated presenter, and a former corporate HR executive at Paramount Pictures, Nickelodeon, and Time Warner.

Yael Zofi: Agile leaders need to start with a global mindset. They need to look at their landscape as the "world" and tackle situations and changes with flexibility and poise. A critical component of modern (21st century) agile leadership requires leaders at all levels to focus on motivating and moving fast, changing at a moment's notice, aligning/adjusting their teams, setting up their virtual teams, handling issues of trust and accountability, reminding team members about priorities and realigning often.

Teams can also get overwhelmed, and team members need to be able to handle change, switch priorities, not get stuck in their ways, and always consider things from the client's point of view. After all, we are here to serve clients/customers.

Yael Sara Zofi is a virtual teams thought leader, coach, professor, and author. She is founder and CEO of AIM Strategies, Applied Innovative Management, a human capital consulting firm focused on developing global leaders, managing virtual teams and facilitating cross-cultural communications.

Michael Wallace: Many organizations are not realizing the benefits of Agile because they cannot make the necessary change from command and control to trusting their people to get the job done. Successful Agile starts with management embracing the reality that if you give employees the environment and support to do their job, then trust them to do it, great things can happen. If leaders want their employees to be more agile, more responsive, and more productive, they must stop treating employees as resources to be optimized, become more transparent and open, and realize that their job is to enable their people, not micromanage them.

Michael Wallace is Agile coach at Cardinal Solutions. He is a member of the Cardinal Agile Advisory Services (AAS) team, helping clients learn how to adopt and integrate Agile methods into their delivery systems.

behaviors—they focus on positive behaviors and results. There has to be enough of an inherent benefit and reward for employees to overcome natural resistance to change, and that requires the altering of mindsets. It requires inner work on the part of the learner, the kind that only comes with in-depth training.

Equally important to teaching employees these skills is teaching them in a way that allows them to be remembered and implemented. All of AMA's programs, whether in our classrooms or as part of an onsite training program, provide experiential learning. Employees learn best practices, have the opportunity to reflect on them, and then practice their new skills with feedback from industry practitioners. Studies show this is the best way to train adult learners. AQ

To learn more about AMA's unique approach to talent management, visit www.amanet.org/organizations/our-approach.aspx

THE LAYERS
OF THE
EVALUATION CAKE

BY LARS SUDMANN

Performance evaluations. Who doesn't remember moments when these didn't go so well?

Managers winged them, doing them on the spot, or provided only a few negative statements. Employees listened to them but were either offended or didn't care at all about what was said. This kind of performance evaluation is a waste of time.

In an even more extreme example, sometimes organizations have a policy that seemingly says, "We do not need evaluation systems. If your badge works in the morning, this is evaluation enough."

However, I don't think the evaluation process needs to be like this. Performance evaluations can be great and energizing. To explore how, I think we need to go to the people who do them best: evaluation champions.

Yes, there is a championship of evaluations. This event is organized by Toastmasters International, an organization known for its public-speaking focus. Perhaps less well known is that Toastmasters also holds a championship each year on giving feedback.

I had the chance to participate several times in these competitions, and actually won one championship on a European level. Participating in these competitions encouraged me to distill the key elements for great evaluations and create an abstract of them for the real world.

In my work as chief financial officer, Belgium, of Procter & Gamble, I had the opportunity to apply these strategies and see if they worked in the "real world."

THE FRAMEWORK: A CAKE

I believe that delivering good evaluations has a lot to do with creating the right framework and culture. Performance evaluations and feedback often are dreaded because people don't know, and have not been trained in, how to give them. There is no common framework for feedback in the organization. This makes it difficult to evaluate the way that feedback is given.

I have put together specific strategies for this culture. The analogy of a cake can be used to illustrate them. What does a great cake have? It has a strong base, a creamy middle part, and some icings, toppings, and cherries on it. I believe the same is true for creating a framework for positive and energizing performance evaluation.

THE BASE

The base of a cake is what holds it together. The base is nothing fancy, but without it the cake would fall apart. This is also true for the base of your evaluation system.

To build the base of your evaluation structure, review previous performance evaluations against past career path conversations and goals. Understand if the target goals were met or not. This is the basis for a fruitful discussion. Without a baseline, there cannot be a true and engaging evaluation.

With public speaking, you hold the speaker accountable for what he or she wanted to achieve at the start. In the business world, all managers should know what employees' objectives are. If there are no clearly stated objectives, there is no baseline to evaluate against—and this can make all feedback random.

You need to have a structure for your evaluation process. Don't do it off the cuff. This structure can be based on skills, targets, or other areas. You can rank an employee according to specific skills or point out strong and weak areas. Whatever you do, using the same structure across the team or organization will greatly help to codify your approach.

If your organization does not have a structure for feedback, I recommend creating one for yourself. The simple structure "Start/Stop/Continue" (a model often attributed to Steffen Landauer, VP of Leadership Development at Hewlett Packard) works exceptionally well. It is an easy structure that first focuses on the strong sides of an employee's performance and then naturally moves into the areas that can be further improved.

Author Paul Rulkens said, in a piece he posted on Nov. 22, 2014, on LinkedIn, "If we focus our entire life on compensating our weaknesses, we will end up with a large set of strong weaknesses: this is a recipe for mediocrity, not for success." Don't focus only on improvement areas or things that went wrong. This is true not only for performances such as TED talks but also for the workplace.

Give an overview of where the person shines and excels and balance strong points and opportunity areas, ideally in a ratio of 2:1—two strong points and one point for further improvement. This way, the employee can rest assured that there are resources for improvement present.

THE CREAM IN THE MIDDLE

The strategies above provide a great base for evaluations. Next, we need to add the really "juicy" stuff to the cake. This is the core of every cake, and it requires special attention.

First, be ultraspecific. Evaluations often are fluffy and remain on a meta level. Take, for instance, the statements "You could be more strategic," "You were not engaged enough," or "This was good." The problem is that these leave a lot of room for interpretation, and the employee doesn't know what was done right or how to improve. For instance, you could say,

"In this meeting, you could have developed a concrete vision on one page."

By being very specific, you move away from the meta level, and the individual and you focus on facts. As the saying goes, "Facts are friendly." Drop all assumptions, drop all fluffy statements, and you will have a concrete and enriching discussion.

Share the impact of an employee's performance on you—and don't generalize. To make feedback acceptable, make it very personal: "I saw you were doing this (specific observation) in the meeting, and this gave me the impression that you were not prepared." Perception is reality in human interaction, and by sharing concrete perceptions, you can create true impact.

Even as the manager who gives the evaluation and therefore speaks for the company, it makes sense to personalize feedback.

Give employees the concrete ideas and strategies they need to truly improve or leverage their situation. If an evaluation is negative or does not meet an employee's expectation, you should share concrete ideas and strategies that the employee can implement.

Give an example of how the employee could have achieved better results. For instance, say something like, "Here you could have provided a deeper analysis instead of just sharing a one-sentence email. I believe that people needed several data points to be truly convinced."

Don't settle for saying "do better." Get concrete. This is a manager's duty.

THE ICING ON THE CAKE

When you use the strategies detailed above, evaluations can stand on their own. However, if you want to further master the art of evaluation, you can put more toppings on your evaluation cake with the following strategies:

Give analogies and examples. In addition to giving advice, you can use examples and individuals from inside and outside the organization to illustrate your points. In this way, you can highlight and give a powerful third perspective in the performance evaluation. The examples used may be people from outside organizations or former direct reports that you had.

The more ideas you can give to your people, the better. And the more they see that there are real-world individuals who are living examples of what you recommend, the better.

Use metrics. One truly powerful way to do performance evaluations is to define and track agreed-upon leadership metrics, and then to discuss them. Examples of such metrics are percentage of meeting versus non-meeting time, number of emails per day, or percentage of talk in meetings.

This is a form of specificity that takes action to the next level. You give an outlook on the past that the employee might not

Perception is reality in human interaction, and by sharing concrete perceptions, you can create true impact.

have. One example: "John, can you let me know the number of emails you shared with your team in the past 10 weeks? Five? OK, you see, that's 0.5 per week. That is really not a lot, and it correlates with what your team says, that they don't receive enough information from you. Maybe you want to get this to 1.5 to 2.0 emails per week to your team in the future."

By getting (semi)quantitative in performance evaluations, you can truly create a powerful way forward for individuals, especially if they are also data oriented.

Show that skills are already present. It can help to show employees that they already have all the skills needed to "fix" the performance issues you've highlighted. This is the easiest and best way to help people grow. You can then highlight and balance this perspective with your advice. An example would be, "Marc, you managed these two fantastic team-building events. You used great moderation skills there. Specifically, the way you brought in the quiet people was effective. I suggest that you use a similar approach when doing a business review with clients."

These discussions typically are very positive and actionable, and they bring great energy to a performance review. What it requires from the leader, of course, is to be very observant and focused on the growth and positive side of employees.

AN ENERGIZING EVALUATION CULTURE

The strategies discussed here help in speaking championships and in performance reviews. If all of these elements are present, you are on the right path to creating a positive and engaging culture.

And this is the most important part: As a senior leader, you also need to create an overall culture of feedback, give "feedback on feedback," and evaluate the evaluators. Sit in on some of the evaluation sessions. Share great examples of performance evaluations. Develop a training environment where a joint organizational feedback culture can be created.

The role of senior leaders is to live this kind of feedback, accept and receive it, and guide and coach others with it. By doing this, they can create a truly energizing culture of evaluation. AQ

Lars Sudmann is an expert on high-performance leadership in global corporations. The former chief financial officer of Procter & Gamble Belgium is also a lecturer on leadership at two German universities as well as a former European Champion of Feedback.

AN INTERVIEW WITH

Frank Sesno

ASKING QUESTIONS LEADS THE WAY FORWARD

BY CHRISTIANE TRUELOVE

Author and journalist Frank Sesno spoke with *AMA Quarterly* about his book *Ask More: The Power of Questions to Open Doors, Uncover Solutions, and Spark Change* (AMACOM, 2017). He discussed how executives and managers especially can benefit from using the right questioning techniques to tackle the most difficult aspects of employee evaluations. Sesno is director of the School of Media and Public Affairs at the George Washington University.

Frank Sesno is an Emmy Award-winning journalist and creator of PlanetForward.org, a user-driven web and television project that highlights innovations in sustainability. His diverse career spans more than three decades, including 21 years at CNN, where he served as White House correspondent, anchor, and Washington bureau chief. Sesno has covered a diverse range of subjects, from politics and conventions to international summits and climate change. He has interviewed five U.S. presidents and thousands of political, business, and civic leaders—ranging from Hillary Clinton and Israeli Prime Minister Benjamin Netanyahu to Microsoft founder Bill Gates and broadcast legend Walter Cronkite.

What inspired you to write this book?

FS: What inspired me to write this book was a number of things—being a questioner myself, doing it for a living, doing it with people from all walks of life, and seeing around me how much was left on the table because others didn't ask questions. When I was at CNN, a senior executive joined the company, and I watched him ask no questions as he arrived. Ultimately, he was not successful. I have been on boards of trustees and I have covered presidents. And thinking about leadership, I've found that when you don't ask questions, you don't find stuff out.

So what I wanted to do was come up with a more coherent approach. I came up with categories of questions. But really, the reason why I wrote [the book] was because I've found that if people don't ask, they don't know. If they don't ask, they don't have an opportunity to listen. And if they don't listen, they don't learn.

My observation is, I've done this for a living, but I see around me so many opportunities for people to go so much deeper on so many different levels. That's what I wanted to share.

Fear seems to be the biggest barrier to asking questions. How do you tackle that?

FS: You have to ask permission. That's one of the things that I hope comes across in the book—that is, the act of
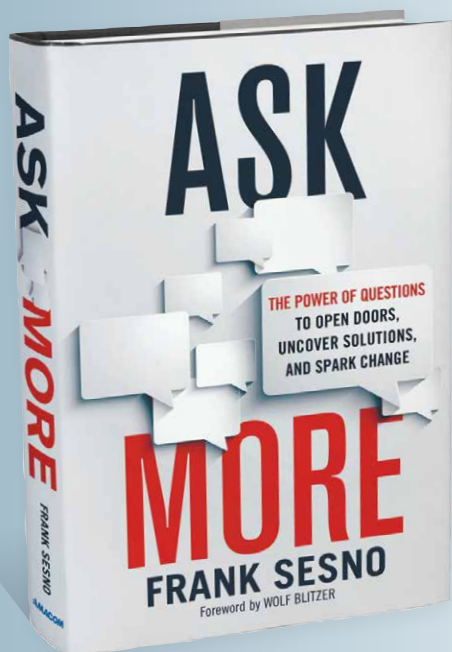
If You Want the Right Answer, Learn to Ask the Right Questions

BY FRANK SESNO

Smart questions make smarter people. We learn, connect, observe, and invent through the questions we ask. We push boundaries and we discover secrets. We solve mysteries and we imagine new ways of doing things. We ponder our purpose and we set our sights. We hold people accountable. We live generously, to paraphrase John F. Kennedy, by asking not what others can do for us, but what we can do for them. Curiosity opens our minds and captivates our imaginations.

But the fact is, most of us don't really understand how questions work—or how to make them work for us. In school we study math and science, literature and history. At work we learn about outcomes and metrics, profit and loss. But never do we study how to ask questions strategically, how to listen actively, or how to use questions as a powerful tool toward accomplishing what we really want to achieve.

Questions—asked the right way, under the right circumstances—can

asking permission really creates a dramatically different experience. That asking permission comes in different ways. For example, there is a therapist in my book. People make an appointment to go see her. They grant permission by making the appointment, and therefore they open up.

When I interview someone on the air—or when someone goes on the air with Terry Gross, who is another one of the questioners that I interviewed for the book—they grant permission by saying, "Yes, I want to come out and I want to sit in front of a microphone."

All of my students, when they sat down and did an oral history with family members, each one of them learned something profound about a family member in that process, and it was really because they asked permission. They made an appointment to talk with that family member and ask them questions about their lives. So I think one of the most important elements is that granting of permission. David Isay is in the book, and he started this thing called StoryCorps. StoryCorps is where two people sit in a recording booth and one interviews the other. They wind up having this remarkable conversation—and it's that granting of permission [that makes it possible].

So the first thing, when bridging these fear divides, is that granting of permission. "May I ask you about this?" "How about if we have a chat about this next week?" "Let's talk about where you're going with your career." That process is immensely helpful.

You've asked the hard questions, but you're not getting the answers you require. How do you shape your questioning technique to get down to the nitty-gritty when the person you keep asking the questions of keeps dodging?

FS: As I point out in the book, there are different categories of questioning, and to know them comes in handy. We were talking a moment ago about the questions people may be fearful to ask—finding out your neighbor has cancer or something like that. That's when making an appointment makes a big difference. When you ask those questions, you're asking to draw someone out, and you're listening for their emotions and their fears and their feelings.

What you're talking about, and I have a chapter on this, is confrontational questioning, when the person is going to clam up. They are not responsive, they view you in a hostile manner, and they're not going to cooperate. I've had this many times when I've interviewed political leaders and presidents, and you have to ask four or five times. You know that you may not get an answer, and that you may really annoy your subject. But what you have to decide is, what are you after? One of the themes in my book is outcomes. So if you're asking me about questioning someone who's not going to cooperate—they are a public person and this is something that's going to take place in public—that's one thing. Then you question for the record. You can ask three or four or five times. If they don't answer, there's not much

help you achieve both short-term and lifelong goals. They can open doors to discovery and success, bring you closer to a loved one, and even uncover answers to the universe's most enduring mysteries. Insightful questions help you connect with a stranger, impress a job interviewer, or entertain at your next dinner party, and they can be the keys to a happier, more productive, and fulfilling life.

My book *Ask More: The Power of Questions to Open Doors, Uncover Solutions, and Spark Change* shows you what you get when you ask for it. In each chapter I explore a different type of question, driven by its own approach and listening skills. By the end of the book, you'll be able to recognize what to ask and when, what you should listen for, and what you can expect as the outcome. Each chapter offers stories and looks at the genre through remarkable people who have used questions to motivate and excel.

For nearly four decades it's been my job to ask questions. From an inner-city school to a technology revolution, from the Brandenburg Gate where a president said, "Mr. Gorbachev, tear down this wall!" to the inauguration of the first African-American president, I have had the privilege of being there—watching, listening, and asking.

I've interviewed world leaders who shaped history and heroes who dedicated themselves to the poor and the disabled. I've

questioned avowed racists and the richest man in the world. As a journalist and interviewer, I have been enriched by these experiences and privileged to share them publicly—on CNN, NPR, and other media, and in front of live audiences. Now I teach college students how to ask to get information, to find the facts, to hold the powerful to account, and to create revealing moments for the world to see.

As my fascination with inquiry has grown, I've become increasingly alarmed about the questions we ask—or don't ask—in public and daily life. Technology has revealed endless horizons, but it has also created a quick-hit, search-engine culture where a fast answer can obscure deeper inquiry. The polarization of politics, amplified by social media, has fractured civic discourse and infused it with invective instead of dialogue. The news media, reflecting and reinforcing these trends, have grown shorter and sharper. Compared to when I got into the business, television interviewers are given less time and focus more on controversy and horse race than on explanation and substance. Sincere questions too often play second fiddle to certainty, ideology, and outrage. But what if we asked more and asserted less? What would we discover? How much better would we understand the people around us? What if we went asking for solutions and posed truly creative questions that could change the world?

you can do—except you've exposed them. And that's very important.

But if you are talking to your kid or an employee in a private session, and they won't answer? You ask in multiple ways, each question drawing on what preceded it, trying to zero in on what was avoided in the question preceding it.

Our issue theme is performance evaluation. In that setting, how do you give feedback about the other person in a way that they will accept?

FS: That's always interesting and challenging. Well, the first thing is, turn it into a question. A lot of people will want to go into a performance evaluation with a statement: You didn't do this, you didn't do that, why were you late, etc. But the first step, in my view, is to turn statements into questions and draw that other person out. "What did you do well?" "Where are your strengths?" "What are your weaknesses?" In fact, don't even ask about weaknesses, because the wording really matters. If you ask "Where were your weaknesses?" that very question assumes a negative frame. Ask "What were the things that you would most like to change?" or "Where were the areas where you feel you most want to grow?" Or, "What were the areas that frustrated you the most?"

Regarding the whole notion of drawing people out and getting them to talk about it, there's another section of the book where I talk about questions without question marks.

This is a very important area; questions without question marks applies to this space. They're bridging questions, when you're talking with someone who is on edge or wary. That totally describes a job performance evaluation. The question without a question mark is, "Tell me more. Tell me about it."

If there is a performance issue, you can make the observation or you could ask the person about the area of performance that was lacking or lagging. Then ask them to "Tell me why that is. Tell me how you are feeling. Tell me what you think you'd do to address that."

In the empathy chapter [of the book], I talk a lot about body language and listening. In performance evaluations, especially when there are issues, even as you're presenting this to the other person—unless you're trying to fire them on the spot—if you're going to have a productive conversation, you want to be sure that the person feels you are listening and that you're trying to understand where they come from. Even if there are problems. And so, make them feel with your body language and voice tone that you are listening. You want the observation to come from the other individual as much as possible. And you can guide them with questions.

What was the most difficult interview you've ever done?

FS: Well, there were a couple of them. One of them was with Margaret Thatcher, because [she] challenged the

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A student convinced me I should write this book.

Simone (I've changed her name) had arranged to interview her father—I'll call him Morley—for an assignment I had given my Art of the Interview class. A devoted family man, Morley kept his emotions to himself and was not prone to reflection. At first he refused. "Go find someone else," he told his daughter. But Simone persisted, and finally her father agreed to the interview, camera and all.

Simone had questions she always wanted to ask. Morley had issues he never wanted to discuss. They sat facing each other in the den, a place both of them knew well. Simone started with some innocuous open-ended questions, a classic interviewing technique. She asked about her father's college days and how he met his wife, Simone's mother. When Morley seemed more relaxed, Simone asked the question she'd been thinking about for a long time.

"Before I was born a child passed away," she said. "Can you tell me what happened?" For more than 20 years, the family had faithfully commemorated the child's birthday, but they had never really talked about what happened.

"She was born premature," Morley said. "She lived for about a day and a half. Her lungs hadn't fully formed. That created a series of other problems." He paused. Then came the secret he'd

never told anyone, not even his own parents.

"Your mom and I decided that we would disconnect her from life support." His voice trailed off. He swallowed hard, trying to stay in control.

Simone kept going. "Was it a difficult decision? How did you and mom handle that?" Her father teared up. So did she.

Morley's words came slowly. "At the time it was very hard…. It was probably hardest to see some of our friends with kids at that time." Another pause. "But those experiences shape you." He looked at his daughter. He saw a beautiful and smart young woman—his legacy and his love. Still emotional, Morley told her she wouldn't be alive if that terrible event had not occurred.

Simone's head was spinning. To learn the details was difficult enough, but to see her strong, unshakable father so upset revealed a vulnerability she had never seen.

"I understand now, after what he had been through, why I meant so much to him," she told me later. "I understand why he has always made such an effort to spend time with me, to be there for important events in my life, to tell me how proud he is of me. Now when he gives me a hug I don't pull away as quickly. When I miss his call I make sure to try him back right away."

Simone uncovered a deep secret, discovered a different side of

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premise of the question. Very few people will do that. If Margaret Thatcher didn't like the question, she'd ask you why you were stupid, what a naïve question, what a stupid question. Her whole demeanor was to put the questioner on edge, put the questioner on the defensive. That was very difficult because one must be completely prepared for an interview such as that. Even though I was very prepared, I was not prepared for her to go on the attack like that, the way she did.

The other very difficult interview that I did, which is in the book, was with Yasser Arafat, where not only was he not going to answer the question but he was also prepared to act erratically and irrationally in front of a live audience and cameras. And he nearly walked out of the interview. That's in the chapter on confrontation. I knew I was going to ask him a confrontational question, and I knew he was going to be confrontational in response. But I underestimated just how confrontational and how awkward it could be. I was even in a more awkward position because I was sort of half journalist, half gracious host, because I was doing this at a live event and was supposed to be facilitating conversation, not foreclosing it.

Another very difficult interview I had to do was with David Duke, who you know is back in the news. He was running for governor of Louisiana, and yet I knew full well his past as grand wizard of the KKK. So I really had to think hard about what kind of interview I was going to do. Was I going

> "Regarding the whole notion of drawing people out and getting them to talk about it, there's another section of the book where I talk about questions without question marks. They're bridging questions, when you're talking with someone who is on edge or wary."

her dad, and changed the way she related to her father simply because she asked. More, much more, than an oral history came from her questions.

And so I began to explore the power of questions in their different forms.

I talked to dozens of people, master questioners if you will, to understand how they used questions in their lives and professions and to see what we could learn from them. The inquiry teachers in this book comprise some of the most fascinating and successful people I've met, some famous and some not so famous. The arc of their lives has been assisted by their ability to question the people and the world around them.

The book begins with a problem. If you've ever confronted something that's gone wrong, with time running out, you know that asking the right questions can make the difference between a good call and a catastrophic mistake. Chapter 2 introduces you to people who diagnose problems for a living: a nurse-practitioner in Appalachia, a renowned corporate turnaround artist, and my neighbor, the roofer. They're all experts at asking questions to pinpoint a problem so they can fix it. You'll see how you can zero in, listen hard, and draw on experience and instinct.

Chapter 3, "The General's Charge," shows you how to stand back and think big when the stakes are high and the outcome is unclear. Strategic questions ask about choices, risks, and consequences. They force you to challenge conventional wisdom and your own biases. They lead to better, clearer thinking and better planning when you're weighing big decisions. As General Colin Powell explained to me, great strategic questions can inform the hardest decisions, just as failing to ask the right questions can lead to disaster.

If you want to connect with someone, you will see how the experts do it as you read Chapter 4, "From the Inside Out." Empathetic questions can bring you closer to people you know or have just met. These questions help you become a better friend, colleague, partner, or family member. They lead to deeper understanding and discovery. You'll hear from a family therapist, a Harvard professor who teaches empathy, and from one of the best interviewers in America, NPR's Terry Gross.

Want to know a secret, maybe a dangerous one? In Chapter 5 you'll learn how careful, patient questioning can build a bridge to someone who doesn't want to talk to you. These bridging questions reach out to people who are wary, distrustful, and even hostile. You'll see how an expert in Dangerous Threat Assessment uses them to solve difficult, and sometimes volatile, human puzzles. He asks questions without question marks. Understanding how this is done will help you communicate, if not with terrorists, then at least with teenagers.

to do a really tough, accusatory interview that dwelled on his past? Or was I going to do a more informational interview that sought to determine how his past influenced what he actually wanted to do as governor if he won and was responsible for the laws of the state?

What was the upshot of that? Did he become confrontational?

FS: I did. I'm actually trying to work up a piece on how to cover President Trump…. I feel that no one in public life can divorce themselves from their past, especially if their past is very public and very outspoken. You don't get a chance to say "never mind." And so, the questions you ask in a situation like that, if done right, will bridge the past with the future. They will hold you accountable for the past, while also granting enough space for some degree of evolution presumably and for respectful questions about how you will run the future. But I was tough on him. My question to him was, "How can someone who has made comments that are directly racist and anti-Semitic deserve a shot at an office such as this?" So that was a very tough interview.

And then I would say that there are many personal conversations I've had that are very tough, like with my mother's doctors when she had her cancer…. You try and talk to these guys, and they won't open up. And when they do, they won't really answer your questions. They don't answer them in a holistic way…. I've talked to people who have developed, for this very reason, a three-page list of

the kinds of things to ask doctors and to come back at them on: What are the options? What are the consequences? What are the different side effects of a particular medication? What is the trendline of a particular disease and what can we expect? There are literally pages of these questions, because if you don't ask with that degree of precision, chances are nobody is going to offer you the information. You basically become an advocate through your questioning….

In most cases, getting back to how to ask questions, are people able to be an advocate for their position? In view of the election, there have been a lot of complaints about how the media failed to ask the right questions.

FS: I think the danger is when the question mark starts to fade away and people start to become more assertive and curious. My read of the media coverage of this campaign is that there were conclusions drawn—that Donald Trump was untenable, that Hillary Clinton was ahead in the polls in all the states that mattered, that certain things were inevitable. They didn't ask the right questions about what her weaknesses were, about what his strengths were, about how powerfully people felt about "Trumpland." They didn't ask and translate for the wider electorate the experiences that were going on out there. Certainly in the cable world, it was more about assertion than anything else. It was the argument culture again.

> "If you want to get creative juices really flowing, ask people to imagine, to set their sights high, to pretend gravity doesn't exist."

And if no bridge can be built? Chapter 6 will show you how you can use confrontational questions to hold people accountable for what they've done or said. While this kind of inquiry is often unpleasant, as I once discovered in a bizarre encounter, it does establish a record. Know what you're after, as Anderson Cooper explains. Be prepared for the consequences, as Jorge Ramos recounts. But as you will see, if you have the courage of your convictions, know what you're talking about, and can ask with precision, you can be a more formidable adversary.

How many times have you heard that you should think outside the box, be original, and take a chance? In Chapter 7 you'll realize you can get there through questions, not commands. If you want to get creative juices really flowing, ask people to imagine, to set their sights high, to pretend gravity doesn't exist. What

do California Lieutenant Governor and former San Francisco Mayor Gavin Newsom and Hollywood television series creator Ed Bernero have in common? They both use questions to transport people to a place where they cannot fail.

In Chapter 8, "The Solvable Problem," you'll see how you can create a sense of purpose and mission through your questions and inspire people to pitch in, or maybe even write a check. You'll meet Karen Osborne, who has raised millions of dollars, and Rick Leach, who wants to feed the world. You can borrow from their approach to become your own pied piper. You'll discover surprising ways to improve listening, set common goals, and take concrete action.

Chapter 9 ventures into the unknown and the unexplained to see how scientific questions can solve the mysteries of the world. You will meet the doctor-researcher who threw himself at HIV/AIDS and Ebola when people were dying and the public was in panic. You'll also find inspiration and ideas you can apply in your own life.

Next come the money questions. You're trying to fill a job. You want the job. What you ask tests your compatibility and, just maybe, predicts the future. Chapter 10 shows you how these questions get asked—from both sides. You'll meet a CEO who goes for the team approach and a technology veteran who just might ask about your favorite aisle in the supermarket.

So the most important thing for journalists and for the public, in engaging their leaders, is to constantly play the role of healthy skeptic and not jaded cynic. A healthy skeptic is constantly asking, "Well, what are you going to do about this? How are you going to do it? What are the alternatives? What are the costs? What are the consequences? How are you going to build the political coalition?"

Getting back to the confrontational interview, how would you advise employers who are trying to interview employees who are confrontational about their evaluations? How can they be approached in a productive manner?

FS: That's my bridge-building chapter. If an employee is going to be confrontational, if you confront them you'll end up in a stalemate. That doesn't work if you are actually going to be working with someone going forward. So I would recommend the bridge-building chapter for that one, where you're dealing with someone who is hostile, who is wary, who is suspicious…. If you're a manager and you have an employee, and the employee is in confrontational mode, you have to get them out of this mode so that they can listen. You want to get them out of the confrontational mode so that they can understand what's at stake, what they need to do to address their own performance issues and get back on the team. It's about getting them talking, getting them to open up. If a manager says "Here are the five things you need to do" and just shoves you out the door,

especially if it's in a tense or confrontational relationship, the chances are pretty low that you're going to have success there.

You have to get that person to understand what they need to do. I would argue that you do that through a series of questions. In terms of asking them, do they understand what the issues are? Explain the situation. The manager can actually pose questions to the employee as to what that employee would do to address the situation, what options are available to the employee. Does the employee understand that they are an outlier in this particular area? Does the employee understand that these issues are getting in the way of that employee's advancement in the company? You get the employee to discuss this. You get the employee, through the questions that you, the manager, ask, to identify his or her own frustrations, weaknesses, and areas that they want to address.

Then you start laying out, again through questions, what are the options, what [do they think] are the best ways to approach this? "How can I help you?" asks the manager. So through the questions, the employee is the one coming up with answers, the one who's articulating, literally putting into words, both the performance issues and some of the ways to improve them. That gives that person authorship.

That's why we have goal agreements, because if the employee captures the goals, it's more meaningful than if the manager just hands them to the employee. AQ

Entertaining questions can turn your boring dinner into a theater of wit and ideas and provocative conversation. Be your own talk show host. In Chapter 11, you'll learn ways to draw out memorable dialogue and keep the conversation moving, using ideas from one of the most engaging and curious people I've ever met. Invite Socrates to supper—if you dare. Serve this recipe at your next meal and you'll have everyone talking.

Finally, what does it all mean? Chapter 12 asks legacy questions that reveal your life story and craft an uplifting narrative of accomplishment and gratitude. These questions from the edge will help you step back and take stock of what you have done and the people you have known. Here, you meet the rabbi who gets asked about God's intentions and read the curious words of a 25-year-old who questions her future. I introduce you to one of the bravest people I've ever met.

At the back of the book, I provide a guide that summarizes the question categories and their component parts, with a few ideas you can try to become a more effective questioner.

This book is not prescriptive. It doesn't tell you how to ask in every situation. But it does offer examples that demonstrate the power of questions and the benefits of deep, nuanced listening. The categories reflect a range of curiosity. As you will see, each enlists different asking skills in search of distinct outcomes. Humans are built to be curious, that much is in our DNA. This

book illustrates how some of the most successful people have honed their curiosity and developed an ability to ask and to listen that has served them extraordinarily well.

Our questions reflect who we are, where we go, and how we connect. They help us learn and they help us lead because effective questioning marshals support and enlists others to join. After all, asking people to solve a problem or come up with a new idea turns the responsibility over to them. It says, "You're smart, you're valuable, you know what you're doing—what would you do about this problem?"

My aim in writing this book is to show you the power of questions and how it can be applied effectively and freely. Enjoy and learn from the exceptional questioners you meet here.

And then, ask more.

Frank Sesno is an award-winning American journalist and former CNN correspondent, anchor and Washington bureau chief. He is director of the School of Media and Public Affairs at the George Washington University.

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FIVE TRENDS
Driving Global Changes

BY SHARI FRYER

Albert Siu, vice president of learning and development within the HR department at Parexel International, shares his perspective on five global trends that are changing the face of learning and development abroad and their influence over the learning function in his firm.

The Parexel Academy is a corporate university at Parexel that provides learning and development services inside and outside the company. Siu, a recognized thought leader and global learning guru, joined Parexel in 2010 with prior experience in leading the training and development functions at such prestigious organizations as Boston Scientific, AT&T, and Hewlett-Packard.

According to Siu, the macrotrends that are shaping the corporate learning environment are functional integration; the amalgamation of processes, platforms, people skills, and politics; network-centric development; operational excellence; and a shrinking time horizon.

FUNCTIONAL INTEGRATION

A key trend Siu sees is the integration of learning and development, organization development (OD), talent management, and succession planning functions. Historically, these functions have worked independently.

The trend now, according to Siu, is for these functions to be more integrated and to work together as part of an overall, ongoing business planning and continuous improvement process. No longer are they isolated processes. Consider, for example, how OD intersects with training, leadership, and succession planning.

"I think it's easier sometimes for people to understand why an organization underperforms if it's only an issue of leadership," Siu says. "If you get down to the heart of what OD does, it is really about tools and processes that facilitate constructive conversations. The quality of a business outcome is contingent on the quality of the leadership dialogue, and OD basically creates a frame, tools, and processes to guide leaders to work through issues. We have applied OD to strengthening client engagements, addressing quality issues, and improving project executions through change management support."

For example, when Parexel is implementing a new

technology platform for clinical trial project management, the learning and leadership teams spend time up-front to understand the implications of this change on employees' habits and consider what people will need to relearn or unlearn. Process change, like structural change, involves people doing things differently. OD can be used to plan the change process and support the elements.

"The whole intervention is designed up-front to be inclusive of communication messaging, defining the new roles and responsibilities and decision rights," says Siu. "If we don't have that OD capability integrated within HR and learning and development, a change project may be missing some powerful tools to enhance operational success. And that's why I believe functional integration becomes very significant in impacting operational success!"

AMALGAMATION

Another trend influencing learning and development is what Siu calls the "amalgamation of processes, platforms, people skills, and politics"—the four Ps.

"When we think about learning, we tend to teach these things separately," notes Siu.

"The typical approach is to teach someone by what I call 'horizontal' learning...to learn a process from point A to point B. People are taught a series of steps to become competent in performing the skills they need to do their job. But if the training is not designed with thought given to amalgamating the four Ps, you can predict that the odds of success will drop significantly."

Consider, for example, how Parexel trains a "clinical research monitor" to monitor and review a clinical trial site to make sure the doctors and nurses who perform the clinical trials are following the prescribed research procedures.

"She also wants to make sure the trial drug inventories are managed properly," Siu says. "Let's say she noticed the procedures were not followed properly and the recorded documentations were missing or incomplete. The clinical research monitor needs to speak with the doctors and nurses involved. She will need to file a report about what she has seen. If the deviations are significant, she will need to escalate the findings to her manager and the trial project manager."

In this situation, the clinical research monitor will follow these monitoring procedures. She will need to use the right screen to record the findings in Parexel's monitoring system platform tool. She will need to ask the nurses and doctors to explain the deviations. How she asks and what she confronts will test her people skills. If the doctor who deviates is a well-known physician, she now has politics to deal with. This situation shows in specific circumstances. If the employee does not know which skills are needed in a certain context, she may not know which part of her training to draw on to choose the right tools, skills, and knowledge to apply to these specific circumstances.

Siu contends, "The most effective training is one that integrates these elements in a coherent manner so that the learner can learn the skills and context at the same time. That is what I call integrating the four Ps. That is 'vertical' learning."

> "As L&D professionals, we have to develop our skills to effectively leverage the network-centric dynamics and master the network capabilities to bring to bear the right development experiences for employees and managers alike." — Albert Siu, Vice President of Learning and Development at Parexel International

Siu believes that to implement "vertical" learning by integrating the four Ps, the learning and development (L&D) team must own the design of the learning. "You own the design, you own the outcome!" he says.

At Parexel, Siu has been redoing many of the functional curricula by applying the vertical learning approach, incorporating the four Ps as much as possible so that learners can be trained to perform their work well. "I always emphasize we train to perform. We don't train to train. Performance is what matters to us from an enterprise point of view," he says.

NETWORK-CENTRIC DEVELOPMENT

A third global trend relates to the impact of the ubiquitous network-centric world in which we operate today. There are so many devices that connect us to information, people, and experiences.

Historically, people development is person-centered. But "in a network-centric environment, even if something is just meant for one individual, others will get to see or learn what that person is interested in too," Siu says. "Facebook is a great example. If you check 'like' on something, all your friends will see what you like."

Because the network effect will multiply, learning professionals need to harness network power and be able to structure developmental experiences that can leverage the network effect.

Take the dimensions of dealing with "place" versus "presence." For example, for a long time learning took place in a space with others, such as a physical classroom. Today, we can be "present" in a virtual classroom without physically being in the same "place."

Another example concerns the dimensions of "organized" versus "organic." Traditional face-to-face training is an organized event and experience. Today, we can organically connect people by posting challenges or problems that can engender self-generated shared interest. People can organically join forces to solve problems, without having to be organized.

Organic learning happens simply by getting the right people connected. Thus, the paradox is how to work and manage the connections without having to organize them.

"As L&D professionals, we have to develop our skills to effectively leverage the network-centric dynamics and master the network capabilities to bring to bear the right development experiences for employees and managers alike," Siu says.

OPERATIONAL EXCELLENCE IN L&D

A fourth global trend influencing learning and development relates to operational excellence and the ability to understand how training outcomes impact business performance.

Many companies are consolidating their training functions into a single organization, with the intent of driving out costs and improving efficiencies, scalability, and accountability. In a consolidated environment, transparencies on efficiency and effectiveness will become apparent. L&D will have to be more accountable. Accountability is achieved through operational excellence and credible metrics. As Siu says, "Once training organizations are integrated, the proverbial management questions are always the following two: How much are we spending on training, followed by, for all that we have spent, how do we know it matters?"

To answer these two questions, the L&D organization must do three things well. First, it must know how much training is being consumed and how much it costs to support the consumption. Second, it must understand the cost drivers and drive the costs out. Third, it must have credible business metrics to measure progress that matters to the organization.

Getting a true picture of how much training is done and how much it costs is a big challenge. "To have a handle on cost and consumption, we must have strong management support,

especially from the perspective of the CFO," Siu says.

Many learning leaders struggle with this first challenge, even though they have integrated the training organizations.

"How can a business be credible if it doesn't know how much something costs? Most companies will not keep spending more and more in training otherwise," Siu says. "As a learning leader, I advise leaders to redirect training investments from one area to another. For example, most companies spend 50 to 80% of their total training expenditures on their functional training—that is, training that helps employees do their work. Since I know the cost and the cost drivers in this segment of training, I can improve efficiency and use the savings to apply to another area."

SHRINKING TIME HORIZON

For most organizations today, market forces are accelerating the pace of change, which means the planning horizon and time to execute are shrinking. Learning professionals need to continuously monitor skills and knowledge gaps, assist leaders to describe and define the new requirements, and recalibrate and develop those leadership capabilities on a continuous basis.

According to Siu, "In clinical research outsourcing, we have had double-digit growth for a few years. The scope of a general manager's responsibilities may have grown from managing a $50 million business to managing a $500 million business. This kind of scope change creates strain

"We must have credible global partners that can scale with us. They must be great at doing what they do."

Thus, having a grasp on dealing with the first challenge—cost and consumption—allows improvement to the second challenge.

When it comes to metrics, Siu believes learning leaders must know how to measure three things: How effective is the training delivered? Can the learner perform what has been taught? What impact has the training created?

Siu contends that learning professionals sometimes are their own worst enemy. "They tend to look down upon learner reactions as merely 'smile sheets,'" he says. "Learner reactions are my first defense! Information gathered allows me to take corrective actions and drive continuous improvements immediately.

"But when it comes to measuring training's impact on business results, I tell L&D people to stay away from doing that because business leaders already have their business results, and let them use their own metrics and don't confuse them. Rather, we should focus on measuring training impact. We should find answers to questions such as these: Is there a culture of quality in the organization? Do leaders walk the talk of the organizational values? What is the quality of supervision? Do employees believe they can grow and advance in the company? Do they believe in what the company aspires to achieve? Having normative metrics to monitor these types of impact measures is useful to substantiate the investments made and to guide future training investments."

Learning and development professionals must have enough sophistication to know how to create, deploy, and interpret meaningful measurements.

"That, to me, is a big part of how learning and development contributes to business outcomes," Siu says.

and stress on the leadership bench strength, and L&D must adjust to a rapid development process to meet the leadership challenge. At Parexel, that means that by the time we have created and implemented a new leadership development initiative, we have to start evolving those tactics to move with the changing times."

Siu believes that in a rapidly changing environment, one must rely on credible partners to scale for growth. "We cannot be managing training by ourselves," he says. "We must have credible global partners that can scale with us. They must be great at doing what they do."

Parexel has relied on AMA to provide training in core professional and management fundamentals.

"AMA ensures we can execute the learning function with quality and consistency in countries in which we operate," Siu says.

Leveraging a partnership is hard work. "A great partnership is like a marriage," Siu says. "You have to get to know each other's strengths and gaps and be committed to work through the issues. We have been leveraging AMA's expertise. That's how we can thrive in our growing business."

Learning professionals need agility and the ability to perform within these global trends and structure their workflow to adapt.

Continuous improvement must be the mantra of all people in the learning and development function. As Siu says, "Our role is to constantly adjust, not to maintain the status quo." AQ

Shari Fryer is president of Shari Fryer and Associates, a global marketing communications firm.

WOMEN LEADERS

Release the Struggle, Embrace the Success

BY KIM SHEPHERD

How great is it to be a CEO? Not only do I get to nurture the culture of a great company, but I also get to speak to different groups about creating success with culture through a performance-driven model and other best practices.

Often, it is organizations for women in business that invite me to speak, and they usually expect to hear stories about women's struggles, suggestions for breaking the glass ceiling, and words of motivation for women fighting the good fight.

Here's the catch: I don't think focusing on the struggle is such a good thing. I'm deeply grateful to all those who have struggled through the years to help women be where we are today. Without the efforts of the suffragettes or people such as Betty Friedan, I might not be a CEO today. After all, it's been only 96 years since women won the right to vote in the United States. Do you know anyone over 96? I do. The 19th Amendment is not ancient history—it's only a human lifetime ago.

TIME TO SHAKE THE ETCH A SKETCH

But women today should take a new approach. Every time we say, "We're not equal," we're helping to create that reality in the world and in our own minds. In a great example, I have a friend who is a senior executive in a global pharma company, and she once told me that every time the (male) CEO asks her into his office, she rushes to take off her red nail polish. I asked if the CEO had ever even mentioned nail polish to her. "No." She has chosen to believe this, despite the fact that the company has employed her for longer than 20 years.

Besides, there are many factors behind the low numbers of women in management roles and the gender pay gap—and discrimination is just one of them. For example, women

continue to pursue degrees and careers in areas in which management paths are fewer and pay is lower, such as education, healthcare, and social work. Behind that fact, however, is the observation that societal dynamics compel women to choose such paths. Jessica Schieder and Elise Gould provide much more detail in a July 20, 2016, report from the Economic Policy Institute.

I think we're seeing that traditional view change now, and the reason, plain and simple, is that younger generations of women either aren't being taught that education and healthcare are "women's work" or they're rejecting it. In fact, many women are starting to recognize how much economic clout they actually have.

WOMEN LEADERS SHOULD FOCUS ON THE POSITIVE

It's one of the most important things women leaders can do: help other women focus on the power they already have, and not on the obstacles. Women may not be aware of it, but marketing professionals have known for years that women make the spending decisions, and almost all marketing is targeted toward women. "Women now drive the world

economy," the *Harvard Business Review* announced in a September 2009 article by Michael J. Silverstein and Kate Sayre. Globally women controlled $20 trillion in consumer spending, and pundits expected that number to increase, according to Silverstein and Sayre.

I know studies say that we still have a salary gap, but that flies in the face of my experience as the leader of a company in the staffing space. I just don't see it. Other studies indicate that it is changing; for example, the *Wall Street Journal*'s Conor Dougherty, in an article from September 1, 2010 ("Young Women's Pay Exceeds Male Peers'"), claims that single, childless women from 22 to 30 years old are making more, on average, than men in the same age range.

The fact is, women have the characteristics that companies want in today's business world. More companies are seeing a correlation between success and the qualities that we often associate with women, such as emotional intelligence. In staffing today, hard skills get you vetted but soft skills get you hired.

Unfortunately, while they have the power, women may lack the confidence to seize and wield it. Katty Kay and Claire Shipman suggest that we won't effectively address the

> "According to Deloitte Global, one sample of six U.S. tech companies showed that although their total workforce was 30 to 39% women, the number of women in 'tech jobs' was only 10 to 20%."

career and salary gaps until we bridge the confidence gap. In their book, *The Confidence Code: The Science and Art of Self-Assurance—What Women Should Know* (HarperBusiness, 2014), they discuss how even women who are considered highly successful are plagued by self-doubt.

"The natural result of low confidence is inaction," according to Kay and Shipman. "When women hesitate because we aren't sure, we hold ourselves back." While there's a little more to their proposed solution, it rests on the simple assertion that women need to change their mindsets. To me, that suggests it's time to rethink old-school assumptions around women in leadership roles.

ARE FEMALE CEOs REALLY SO RARE?

It's common knowledge that male CEOs far outnumber female CEOs at the high-profile Fortune and S&P 500 corporations. In fact, *Fortune*'s Valentina Zarya reported on June 6, 2016, that the percentage of women CEOs in the Fortune 500 dropped to 4% in 2016. The numbers are factual, but they miss a bigger picture. These companies may be the upper echelon of the corporate world, but there are a lot of women leading companies out there.

"A Golden Age for women entrepreneurs has begun," wrote Geri Stengel on Forbes.com on January 6, 2016. American Express's "The 2014 State of Women-Owned Businesses Report" supports that claim, sharing that the 2012 U.S. Census indicates a big jump in women-owned businesses over the past few years. A few other interesting facts from that report:

- Combine women-owned with equally-owned business, and the number jumps to 47%.

- Women are opening new businesses at a rate of more than 1,200 per day.

- Privately held companies, in general, tend to lag behind public companies in job growth. However, privately held, women-owned businesses have created a significant number of new jobs.

Even when a woman does hold a high-profile CEO position, there's no guarantee that gender equity will follow. For example, role models such as Meg Whitman, Marissa Mayer, and Ginni Rometty are great, but according to Deloitte Global, one sample of six U.S. tech companies showed that although their total workforce was 30 to 39% women, the number of women in "tech jobs" was only 10 to 20%.

DO POWERFUL WOMEN REALLY BECOME QUEEN BEES?

It happens, no doubt: There are women leaders who deliberately hinder other women from advancing. But this stereotype is more a Hollywood plot device than a general trend. Not all who wear Prada are devils. And companies looking for emotional intelligence and "female" characteristics aren't looking for backstabbing. They're looking for collaboration and mentoring relationships.

Recently a male executive asked me if it was true that hierarchy is a "natural" way of organizing. I told him it's one way, but that there are many others. People tend to accept the status quo rather than think of new ways.

Actually, hierarchy grew out of the need for a single decision maker in intense, do-or-die situations, such as a warlord leading one tribe against another. Last time I surveyed companies' mission statements, they were more about "working together to deliver exceptional customer service" and less about "destroying our enemies."

This is not to say that hierarchy no longer has any validity, but rather that we should explore new organizing principles. For example, at Decision Toolbox (DT) we've created a "circularchy," distributing power and accountability across the organization. As CEO, I am grateful to share the burden—and I also get to share great ideas from smart, talented people.

Circularchy works. DT is entirely virtual, and the majority of our staff are stay-at-home moms who are making good money and living good lives. All but one of our C-level execs is a woman, and most of the directors and managers are, too.

DO WOMEN REALLY NEED TO GUARD AGAINST DISCRIMINATION?

Discrimination is real, and if and when it happens women need to take action. But the scandalous cases that blaze across the media are not the norm. Women shouldn't let those scandals send them into defensive mode. Instead of being on guard because they are female, women should embrace their femininity and power. Many women entrepreneurs are launching their own businesses so they can do it their own way. They're rejecting established models defined and dominated by men. Entrepreneur and author Joanna Krotz explores this idea in *Being Equal Doesn't Mean Being the Same: Why Behaving Like a Girl Can Change Your Life and Grow Your Business* (Motivational Press, 2015).

Those established models aren't beyond changing, either. Look at the military. Just this year the U.S. military lifted the ban on women in combat. Women have been steadily deconstructing the old regime for years. Some of this has been through struggle, such as lawsuits and protests, but much has been through demonstrating competence and talent.

Gayle Tzemach Lemmon, writing on CNN.com on May 28, 2016, cites the example of two of the first women to graduate from the Army's elite Ranger School—Captains Kristen Griest and Shaye Haver. According to Lemmon, that "shifted the conversation from 'if women could meet the standard' to 'now that women have met the standard.'" While Griest and Haver became celebrated role models, they "reiterated that they had not sought the spotlight, only a spot in Ranger School."

The first two women in the United States to break the military glass ceiling and achieve the rank of brigadier general (in 1970) did so by being women. Elizabeth Paschel Hoisington was director of the Women's Army Corps, and Anna Mae Hays was chief of the Army Nurse Corps. Both managed units with more than 10,000 personnel. According to a July 8, 1970, article in the *Pittsburgh Press*, both women believed in hard work, and it took each more than 25 years of dedicated service to reach the goal.

The pro-struggle people may say that the administration deliberately chose women who were not known for being outspoken, and that may be true. To be sure, my point is not that women can advance by minding their manners and keeping their heads down. I've been called outspoken more than once. Instead, my point is that women can advance by calling on their own talents, building their own confidence, and showing the world what they can do.

DO WOMEN REALLY NEED SPECIFIC SALARY NEGOTIATING TACTICS?

Based on what I've shared so far, women could approach a salary or promotion negotiation as an opportunity to boost their confidence. Society encourages women to be modest and to underestimate their value, but salary negotiations are not the time to be demure. Anyone who is preparing for a negotiation like this should do some research into their own market value.

It might be an eyeopener for some. In a sense, you're creating a sales pitch for your personal brand. Websites such as PayScale, Indeed, and Salary.com offer tools to help you do this. Sites like these will provide a ballpark range based on broad market data, so you should also factor in things such as education level, location, and additional training. Actual accomplishments can add value to your pitch. Maybe you developed a new process, cut costs, or mentored others. Just about anyone can get a confidence boost from listing their own accomplishments.

It turns out that Millennial women may be great role models for the older generations. They believe in equity for women and men in the workplace, but they don't care to call themselves "feminists." Millennials tend to believe that feminists consider motherhood and a career to be completely incompatible, according to psychologist Denise Cummins in a February 12, 2016, column on PBS.org. Millennial women want it all, and as workplace structures loosen and evolve, it will become easier for them to get it. And Generation Z may be the generation that simply refuses to see gender bias.

In a nutshell, women leaders are still important because they can help other women stop focusing on the struggle and start building on their strengths. If you are a woman leader, you can start by modeling that philosophy. Be strong, be brave, be yourself. It may be the most radically effective strategy a woman leader can execute. AQ

Kim Shepherd joined Decision Toolbox, a 100% virtual organization providing recruitment solutions, in 2000 as CEO. Today, she leads the company's growth strategy, primarily through developing partnerships and alliances, and as an active member of the Los Angeles and Orange County human resources communities. A recognized thought leader by HR organizations nationwide, Shepherd regularly speaks on topics such as recruitment best practices, recruitment process outsourcing, and the virtual business. She authored The Bite Me School of Management *(Decision Toolbox Press, 2010), a book journaling her business journey and the challenges she has overcome, and* Get Scrappy *(Lulu.com, 2015), a business book that provides a new perspective on personal and corporate growth. Learn more at dtoolbox.com*

THE ART
AND
SCIENCE OF
EVALUATION

BY MATTHEW BEDWELL AND JASON MEIL

Innovation, creative leadership, and fluencies in multiple domains are hallmarks of many successful institutions. What kind of employee do these organizations need to continue to be successful?

Human capital is your company's greatest asset and likely its single biggest cost. Yet most companies still apply little rigor to assessing, measuring, and retaining that capital—certainly compared to the way big data is being used in operational efficiency and customer-facing activities.

All of that is about to change. Uber measures everything its drivers do; Google famously applied science to identify what constitutes an ideal team. At many manufacturers, predictive algorithms are used to identify when robots on the factory floor may break down. When will we start to apply the same techniques to the human component of our businesses, which has resources that have greater impact and are less easily replaced?

We are still in the early days of using analytics for human capital. However, our organizations, SSA & Company and The Miles Group (TMG), are beginning to see real interest in applying analytics to people operations—opportunities to bring science and art together.

One place we think is particularly ripe for using data? Performance management.

THE TRADITIONAL PERFORMANCE EVALUATION FAILS US

Although it is engrained in the established corporate mindset, the standard performance review process poses several critical challenges, including:

Measuring performance in real time. Because reviews historically are conducted annually, or at best semiannually, managers are forced to rely on the recollection of performance over six months or a year. They are thus susceptible to the "recency effect," in which greater value is placed on recent behavior. It's easy to overlook strong performance or improvement opportunities that may have occurred a few months ago.

Removing subjectivity. Absent definitive real-time data, extraneous factors (an unanticipated issue that derailed an employee's project, for example) can influence a manager's opinion. Similarly, an employee's perception of his or her own performance can be highly subjective.

Delivering feedback constructively. Many evaluations—even those that start by recounting positive aspects of the employee's performance—ultimately tend to settle on a list of areas that the manager believes should be improved.

However, most people naturally react negatively to perceived criticism. To be effective, a manager must earn the right to deliver feedback and coach someone by simultaneously recognizing strengths and opportunities. Failing to do so can interfere with the employee's ability to learn and benefit from the review.

DELIVERING EFFECTIVE FEEDBACK IS AN ART FORM

New feedback tools, more data analytics, and a shift from formalized annual reviews to real-time models have the potential to revolutionize performance evaluation. But at the end of the day, humans will always deliver feedback and coaching to humans; an algorithm can't deliver your review. TMG has worked to develop some of the top executives in the world, and it has seen firsthand what works and what does not.

Managers can use these three techniques to deliver feedback in a manner that will engage employees and motivate them to improve performance and further develop their potential:

Set up the performance conversation for success.
A manager should not immediately launch into a list of opportunities for the employee to improve. Anyone can make someone cry. Team members will be more receptive if their reviews begin with specific examples of their strengths, accomplishments, goals achieved, and so forth. This approach is not merely an effort to sugarcoat bad news; it is valuable in providing examples of the desired behavior.

Focus on one or two areas that matter. It is difficult and discouraging for any employee to respond to a long list of opportunities. This is a major reason why companies often see a rise in voluntary attrition after the annual review season. Pick one—or at most two—actionable items that the employee can work on between now and the next check-in. Then, collect data against these goals and be sure to discuss it at the next session. This process will be more effective if the check-in discussions are frequent, such as monthly or quarterly.

Tailor the feedback to the person. We all learn and grow in different ways. Think about how each member of your team responded to feedback in the past. Which approaches or incentives inspired him or her to improve, and which ones had the opposite effect? Develop the range to adjust your feedback style accordingly, so that you can best engage each employee in reaching specific goals you've agreed upon.

> "TMG recently launched a free app called lloop. It allows users to capture performance feedback 'in the moment' when the employee behavior occurs rather than relying on recollections that may be months old."

Conversely, a manager could simply say "keep up the good work," which tells us that he or she did not put enough time or thought into the review. A good review always provides constructive feedback, and not giving it suggests a manager's apathy.

USE ANALYTICS AND TOOLS TO UNLOCK MORE HUMAN POTENTIAL

Although most organizations have begun to use advanced analytics for vital business functions such as R&D, customer acquisition, and marketing, few have fully tapped into the potential of data analytics to improve facets of human resources, including performance evaluations.

However, we are starting to see changes. For example, in August 2015 the blog Quartz reported that GE had eliminated formal annual reviews for its 300,000 employees. Instead, managers and direct reports hold regular, informal "touchpoints," where they set or update priorities. An app called "PD@GE" (short for "performance development at GE") facilitates the process, and the app accepts voice and text inputs, attached documents, and handwritten notes. The goal of the app is to facilitate more frequent, meaningful conversations between managers and employees and among teams. Development is forward-looking and ongoing. Managers coach rather than critique, and suggestions can come from anyone in an employee's network.

Our experience at TMG reflects the importance of an even simpler approach to collecting, managing, and sharing performance evaluation data in talent management. Ultimately, the biggest obstacle that leaders face with data-based coaching and feedback is quickly and easily capturing real-world examples and information to fuel these conversations. TMG recently launched a free app called lloop to help organizations or even self-improving individual leaders overcome this challenge. It allows users to capture performance feedback "in the moment" when the employee behavior occurs rather than relying on recollections that may be months old. Once recorded, feedback can be organized into several categories, making it easy to have more fact-based conversations and analyze performance against specific development goals.

PUTTING DATA TO ITS BEST USE

While the use of new apps and collection of other data make it easier to record, analyze, and apply feedback, organizations must also rethink the timing and frequency of performance evaluations in order to get the most out of this data. Companies such as Adobe, which pioneered the "check-in" process, and others as varied as Cigna, Gap, IBM, Microsoft, Netflix, and SAP have jettisoned traditional annual performance reviews (and numerical rankings) in favor of more fluid, organic processes. The objective is to deliver regular feedback—closer to real time, not just once a year—that helps employees grow and companies stimulate performance improvement. Why would you look at your employees' performance only once a year when you look at your company's performance monthly, weekly, or hourly?

IBM replaced its annual performance review process, "Personal Business Commitments," in early 2016 with a new app-based system called "Checkpoint." Employees use the tool to set shorter-term goals, and managers use it to provide more frequent feedback (at least quarterly). Similarly, Gap has monthly coaching sessions between

employees and management, known internally as "GPS" (Grow, Perform, Succeed) in place of annual reviews, according to an October 2015 Fast Company report. And Reuters reported in August 2016 that European-based software leader SAP is testing a process that includes more regular check-in talks; the goal is to implement the new system across the global workforce next year.

USING DATA EXHAUST AS INNOVATIVE SOURCES OF INSIGHTS

In addition to using intentional data collection methods such as PD@GE and lloop, organizations should make better use of exhaust data in performance evaluations. Such data is collected for purposes other than the review but may have value in the review process. Beyond traditional metrics, an organization may have other types of data that can be used to assess how successfully an employee meets agreed-upon goals, such as:

- Calendar information

- Emails and the unstructured data they contain

- Phone logs

- Net Promoter Scores (NPS)

- Survey scores

- Call center logs

- Output (such as number of claims processed or widgets produced)

- Upsell and renewal metrics

In the emerging science of "people analytics," companies are using time-management and other data to measure and identify behaviors that correlate to success. Surveys, electronic calendars, and email behavior all can provide data that can be analyzed for trends over time to learn what actions have the most impact. Such data analysis can reveal, for example, whether a team is spending too much time unproductively in meetings or how actively engaged a person is with customer contacts.

Examining a broad range of data can become particularly helpful in evaluating skills and behaviors that might seem less measurable but prove essential to success and become even more so for more senior roles. For example, horizontal leadership has become more important in modern, matrixed corporations. The ability to build and leverage genuine relationships often determines success. But horizontal leadership can be difficult to measure. A robust 360-degree process would reveal progress against this opportunity, but so could the examination of calendar and email data to construct a relationship map. This data could be used to determine whether leaders change their behavior to address an opportunity and to help managers guide leaders toward the efforts that will have the greatest impact.

USING UNCONVENTIONAL DATA STORES

A large insurance client excelled at new business development, but too many clients were "falling off the back of the truck." The company did not understand this churn, and it didn't have a systematic way of understanding why clients were leaving. Occasionally, it would have qualitative postmortems that were never formally recorded or organized. We took the approach of using data exhaust to predict churn. Even if we don't know exactly why clients are leaving, can we use data we do have to predict which clients are more likely to leave, which characteristics are typical of clients that are "loose in the socket," and what (if anything) could mitigate these risks? In addition to looking at large data sets focused on client characteristics and policies, we collected data exhaust from broker activity to identify characteristics and processes employed by brokers with higher client retention rates.

Although we focused on customer churn in the case above, we could just as easily apply similar data exhaust to employees. Which employees are more likely to stay? Can we pre-identify employees that are "at risk"? What procedures can we put in place to mitigate employee churn and increase retention?

Google is one of the most public promoters of the use of employee data to drive better performance. In its quest to identify characteristics of the perfect team and best managers, its people operations department scrutinized all kinds of employee data. Google found numerous insights, including that the most productive employees tend to build larger networks by rotating dining companions—data they wouldn't have targeted up-front as a good indication of teamwork.

LOOKING AHEAD

Changing the way an entire organization conducts performance evaluations is far from simple. Think about how difficult it must be for an organization such as Gap, GE, or SAP to reorient the thinking—and long-established review processes—affecting hundreds or thousands of leaders and team members. Yet, performance reviews are no different from the many other business functions that are being disrupted by the use of data analytics. Applying art and science to the performance evaluation process has the potential to make your talent development program more effective and your entire enterprise more successful. AQ

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Turning Tough Conversations into Constructive Feedback

The right techniques focus on making criticism instructive.

BY AUTUMN MANNING

Most great leaders understand that each member of their team plays an important role in the organization's success. Each brings a unique set of skills, perspectives, and strengths. But, just as in a Greek tragedy, sometimes one's greatest strength can also be one's tragic flaw. Challenges start to rear their annoying little heads in the form of shortfalls in performance, communication missteps, or competency gaps.

To manage these situations, great leaders use one of the most powerful tools in their playbook: constructive feedback.

When used the right way, feedback can help teams assess their strengths and weaknesses. This knowledge can then be used to leverage team strengths while allowing leaders to intervene and provide direct support where it is needed most. Effective leaders recognize that frequent feedback keeps their teams engaged and aligned, which builds trust and enables focus and direction. High-performing teams emerge as a result.

Feedback is great for any team or company, but knowing how to give the right kind of feedback can be a nerve-racking experience for everyone—especially the giver. The success of individual employees, whole teams, and even segments of a business relies on a carefully managed, healthy balance of constructive criticism, legitimate praise, and appropriate compensation. Any one of these concepts can rightfully be described as a bit heavy. Taken together, they can be a source of major anxiety.

Fortunately, offering feedback doesn't have to be an unpleasant or even difficult experience most of the time. Leaders can use a range of tools and techniques to address the challenges their team

members face in a way that gets to the heart of the issue while genuinely inspiring the team to rise to the occasion rather than leaving them deflated.

Know it's a numbers game

Six to one. That's the ratio of positive to negative feedback we need to keep our eyes on the prize, stay motivated, and perform at our peak.

You might be thinking, "But I give tons of praise to my team!" Here's what I'll tell you in return: The mind and the memory have a way of playing tricks on you. More often than not, we think we do

contradiction to hear potentially negative things about ourselves, especially when we feel we've worked hard and then find that the performance wasn't on par. This disconnect helps to explain why there is so much anxiety associated with receiving feedback.

Employees aren't the only people who feel anxiety about feedback. Often, leaders also experience discomfort and confusion about giving meaningful feedback to their employees. They wonder how they can strike a balance between performance improvement and employee satisfaction—perhaps

part of company culture. Rather than relying on too-infrequent, vague annual or quarterly performance reviews, leaders should consider implementing practices that encourage open dialogue and mutual trust among all team members, especially between leaders and their direct reports.

One good way to do this is to follow in the footsteps of Adobe's Donna Morris, executive vice president of customer and employee experience. In July 2013, Morris announced that the company had abolished the formal performance review entirely in favor of more frequent, informal conversations that allow leaders at Adobe to form a meaningful rapport with their teams. That rapport, it turns out, can increase employee engagement and trust. Even better, it can break down communication barriers, granting leaders and team members access to vital information they can use for the betterment of the company.

A little communication can go far. A lot can prepare your team to take on its biggest challenges—and succeed.
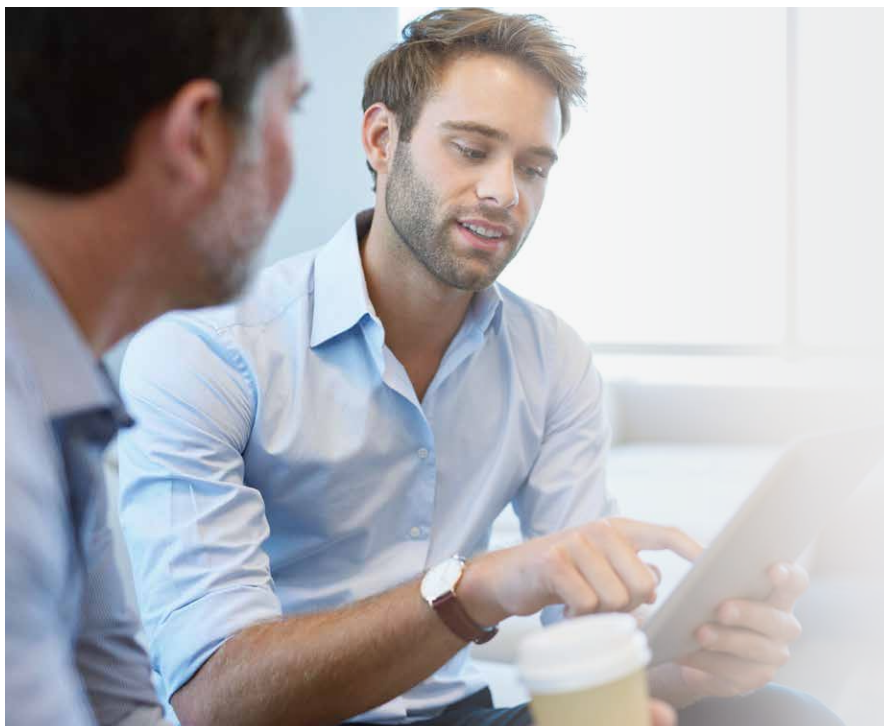
Build your team up

Feedback can only be truly constructive if measurable outcomes are considered and a plan is set in motion to bring those outcomes to fruition. That plan begins well before the feedback conversation is initiated, as leaders determine what it is they want to say and how they want to say it. Constructive feedback doesn't come once the initial meeting with the team member is over, either. Instead, an ongoing conversation should be held that focuses on the continuous, measurable improvement of the employee.

Managing this process can be difficult without organizational tools to support it. Fortunately, leaders can implement a constructive feedback framework that helps them keep track of their message, outcomes, and metrics every step of the way.

The constructive feedback framework

There are seven steps in this framework:

Get in the right mindset. Before delivering feedback, leaders should clarify the

Employees aren't the only people who feel anxiety about feedback. Often, leaders also experience discomfort and confusion about giving meaningful feedback to their employees.

great things more than others feel we do them. So, be sure to follow the "relevant and real-time rule" when giving positive recognition. Relevant feedback speaks to a team member in "their" language, contextualizing the feedback in terms of their role and how they think about it. Real-time feedback is delivered in a timely manner, while the behavior being addressed is top of mind. Feedback is most effective when it is administered under these conditions.

Alleviate anxiety

For most people, work is not just something they're passionate about—it's also what keeps food on their table. Given this reality, it isn't hard to tell why leaders and employees sometimes find it difficult to talk about the challenges they face. A lot of "what if" questions emerge where feedback is concerned. Employees wonder, "What if I receive a bad performance review? What if I don't get that raise? What if they let me go?" Moreover, it is a direct

not realizing that these factors aren't in competition with each other.

Of course, the content of employee feedback isn't the only factor that breeds anxiety. Another issue is that specific critiques often come as a surprise to employees because they only receive feedback a few times a year at best. The lack of regular feedback creates a situation in which critical information isn't communicated to team members. When this information is communicated more often, it comes as a surprise, something that differs from the norm. A lack of consistency in feedback is problematic for numerous reasons: It gives negative practices time to become bad habits, it builds a communication barrier between employees and management, and it blindsides employees, leaving them to wonder why they weren't told sooner.

Turning it around

Leaders can alleviate the anxiety surrounding feedback by making it a regular

Leaders should use follow-up conversations to address any questions or needs their team members have.

message they intend to deliver. By identifying the specific information that needs to be communicated, leaders can ensure that they focus on what's important, eliminating extraneous "noise" from the conversation.

Focus on the "what," not the "who." It isn't necessary to editorialize the characters of your team members. When giving feedback, leaders should seek to address and improve specific elements of behavior rather than attempt to point out the problematic traits of an individual.

Give specific examples. While leaders should refrain from naming names or repeating hearsay in feedback meetings, they should point to specific examples of the behavior they want to address. This specificity will give team members a clear picture of where they fell short and help them recognize an opportunity to improve.

Explain the impact. Team members may not necessarily recognize why certain behaviors are problematic. They might not understand how important their role on the team is. Specifically inform them of how their behavior has an impact on

them, their team, and the organization overall.

Pause. When leaders provide feedback, it's important to create a dialogue rather than talk *at* team members. Remember to pause, to check for understanding, and to let team members speak. Additionally, be sure to listen for any questions or concerns that team members may have.

Outline next steps. Feedback conversations remain somewhat impractical if a course of action isn't taken to address what is discussed. Leaders and team members should work together to determine actionable steps to take in order to deal with the issues covered in the critique, and all stakeholders should retain notes to keep them on track. In addition to forming an action plan, determine ways to measure progress toward the outcome of the intended feedback.

Follow up and follow through. After implementing the action steps determined during the constructive feedback meeting, leaders should casually check in on the progress of the team member. Leaders should use follow-up

conversations to address any questions or needs their team members have; they can also use this time to remind them of upcoming milestones and to give positive feedback so that team members know their improvement is being actively recognized. Naturally, if more corrective intervention is required, leaders should gently share that feedback as well.

The feedback priority

Constructive feedback, open communication, and trust are vital to the success of the modern workplace. Engaging employees in real-time feedback should be a key priority for business leaders. When employers recognize, engage, and reward their teams, they create positive work environments that can bring out the best in everyone. AQ

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APPRAISING THE PERFORMANCE APPRAISAL SYSTEM

BY JENNIFER SABOURIN

For decades, employers have used an annual performance appraisal process as a tool for grading, ranking, and measuring employee performance.

Such appraisals have formed the basis of promotional decisions, merit increases, and bonus calculations.

The stakes are highest when performance appraisals are part of the decision to terminate a worker. When a business unit asks for a risk assessment for terminating an employee for poor performance, human resources professionals and employment lawyers typically respond with a question: "What do the performance appraisals say?" The clearer the answer, the lower the risk.

When properly created, administered, and relied upon, a performance appraisal can be the best evidence to show that the company acted appropriately, reasonably, and without discrimination when terminating an employee. Arguably, if performance appraisals are managed properly, they can be used as motivational and instructional tools for employees. Unfortunately, these appraisals often become "exhibit A" in litigation. Whether it is the employer's or the employee's exhibit A is entirely up to the effectiveness and implementation of the evaluation process.

AN APPRAISAL SYSTEM THAT WORKS

To establish an effective performance evaluation system, employers must first identify their desired outcomes and goals and the avenues to best achieve them. The most often cited goals of a performance evaluation system include the following: helping employees continue to develop their strengths; identifying and addressing weaknesses in employee performance; putting employees on notice that they either are on track to meet their goals or are not meeting expectations; and providing employers with the foundational support to justify either positive or negative employment actions.

When developing measurement methods and setting goals for a performance year, management should refer back to the job description for a position to ensure the measured performance is aligned with the expectations and goals set forth in the job description for that role. If a formal annual review is conducted, it should accurately document the "big picture."

Once a decision is made to keep, revise, or implement an annual performance appraisal process, measures must be taken to ensure the system is as effective as possible. The review should be a summary of an employee's performance over the applicable period of time. Even though the review process is annual, supervisors should be trained on proper methods of keeping track of an employee's progress throughout the year and sharing that feedback with the employee as warranted. This exercise is likely to lead to more accurate information and a shorter time commitment at annual review time.

SEVEN MISTAKES TO AVOID

Employers should be careful to avoid these seven potential

mistakes when conducting formal performance evaluations:

Basing the evaluation on the employee's most recent behavior instead of the entire performance period. It is prudent to maintain an ongoing list or file of an employee's job performance. This exercise not only provides an evaluator with objective evidence from which to make employment decisions, but also protects the evaluator from forgetting specific examples of the employee's good or poor performance. Before preparing an evaluation, any evaluator should review all relevant documents.

Allowing irrelevant or non-job-related factors to influence the evaluation. Some examples of these factors include physical appearance, social standing, participation in employee assistance programs, or excused time off for leaves of absence.

Failing to include unfavorable comments on the evaluation, even when justified. For the evaluation to be effective, the evaluator must be candid about the employee's strengths and weaknesses. Even though candid conversations can be uncomfortable, being honest in evaluation feedback is in everyone's best interests. Constructive criticism helps employees to improve their performance, documents performance issues, and can protect the evaluator from inaccurate allegations of bias or prejudice down the road.

Allowing one very good or very bad rating to affect all the other ratings. This "halo effect" should be avoided.

Allowing personal feelings to bias the evaluation process. Personal likes and dislikes can cloud the truth about the employee's actual performance.

Winging the evaluation. Prepare for the review in advance.

Assuming the employee understands the review process. Explain the purpose of each part of the process.

CONSIDER THE BENEFITS AND RISKS

Despite the assumed benefit of performance appraisals, it is important for organizations to ask:

• Why do we have a performance appraisal system?

• What are we measuring?

• How are we measuring?

• What is our ultimate objective with these reviews?

With the various benefits and risks under question, employers have started to wrestle with the question of whether to forego the written, graded performance appraisal process. Over the past two years, a number of high-profile organizations worked through these questions and made the move to eliminate their annual performance appraisal systems. These companies include General Electric, Gap, Accenture, Microsoft, Adobe, and Netflix.

Whether a company uses or foregoes the traditional annual review process, employers should be sure to provide regular, informal feedback from supervisors. The feedback given throughout the year should track and align with performance goals that are set by supervisors with consideration of input from employees.

Foregoing the annual written process in favor of more frequent quarterly or monthly one-on-one sessions allows management to provide more accurate and timely feedback to employees. These sessions can be documented throughout the year, eliminating the potential pressure and anxiety surrounding an annual review meeting. AQ

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BUILDING A POWERFUL CULTURE

BY S. CHRIS EDMONDS

Do your employees work well together to create high-performing teams? Do you have a purposeful, positive, productive culture in your organization?

The quality of your work culture drives everything that happens in your organization, for better or worse.

Business leaders around the globe have an increasing awareness of the power of an organization's culture. According to Deloitte's report "Global Human Capital Trends 2016," "Few factors contribute more to business success than culture—the system of values, beliefs, and behaviors that shape how real work gets done within an organization."

Deloitte found that 87% of business leaders believe culture is important, and 54% say culture is very important, nine percentage points more than last year. More than 50% of companies in the 2016 study said they were trying to change their culture.

However, Deloitte's study found that only 28% of business leaders understand their current culture well. Only 19% believe they have the "right" culture. How can leaders change their organization's culture? Most have never experienced successful culture change. Even fewer leaders have led one.

This article outlines my proven process for refining an organization's culture. It explains how leaders can make the quality of their business culture as important as the productivity of their organization. In essence, this process helps leaders make values as important as results in their team, department, region, small business, multinational, or anything in between.

PERFORMANCE—HALF THE LEADER'S JOB

What gets measured, monitored, and rewarded in your organization today? When I ask that question of senior leaders around the globe, their responses are consistent: Results get all the attention.

I am not saying results don't matter. Results are certainly important, but they're not the only important element in the workplace. Values—how people treat each other—are equally important.

Managing results is half of a leader's job. The other half is

managing the quality of the work environment, ensuring everyone is treated with trust, respect, and dignity in every interaction.

Effectively managing results and values requires a leader's time, energy, focus, and attention—every day. Yet most leaders focus exclusively on results. Why? It's all they know. It's what they've been asked to do. It's what their bosses did in the past and do today. And what's the primary device for managing performance in organizations? It's the dreaded annual performance review.

There are two problems with annual performance reviews. First, they are, by definition, postmortem—after the fact, and too long after to allow any refinements to plans, decisions, and actions. Second, they focus almost exclusively on results (which is half the leader's job).

Mercifully, organizations are turning away from performance reviews because they are huge time investments with little tangible benefit. In Deloitte's "Global Human Capital Trends 2014" report, only 8% of companies reported that their performance management process delivered high levels of value, and 58% reported it was not an effective use of time.

A number of organizations have abandoned the annual performance review for these and other reasons. According to the *Wall Street Journal* ("Microsoft Abandons 'Stack Ranking' of Employees"), in 2013 Microsoft decided to end

the practice of forcing managers to designate stars and underperformers, after finding that the system resulted in "capricious rankings, power struggles among managers, and unhealthy competition among colleagues."

It makes sense to set aside the old annual performance review. It's not working. It doesn't provide value. Although the classic performance review no longer provides value, players need proactive performance feedback.

Let's look at the other half of the leader's job: values. What is the primary device for managing values—the quality of workplace interactions—in organizations? Most leaders rely on hope. They hope that people behave nicely with each other, and they hope that people are honest and cooperate in delivering the organization's products and services.

Some organizations have defined values. Fewer have values that are defined in measurable terms. But very few organizations hold leaders and team members as accountable for modeling their values as they do for delivering expected performance.

Simply announcing your organization's values doesn't ensure that everyone embraces those values. Wells Fargo, a company that's been in the news a lot recently, has a very clear statement of its ethics on its corporate website. That statement says, "Our ethics are the sum of all the decisions each of us makes every day. If you want to find out how

Employees need frequent, factual feedback on both performance and citizenship (values) so they can maintain great contributions.

strong a company's ethics are, don't listen to what its people say. Watch what they do."

How well did some of Well Fargo's commercial banking employees adhere to this ethical expectation? In September 2016, U.S. federal regulators found that some Wells Fargo employees had secretly created more than 2 million unauthorized bank and credit card accounts—using customer funds, without customer approval or knowledge—since 2011. According to a September 9, 2016 report from Matt Egan at CNNMoney, 5,300 employees have been fired for the illegal transactions. A $185 million fine was levied, the largest since the Consumer Financial Protection Bureau was founded in 2011. Wells Fargo's CEO resigned.

Publishing values expectations and hoping everyone aligns to them doesn't work. Publishing performance expectations and hoping everyone delivers doesn't work, either.

DO PEOPLE GET ENOUGH PRAISE ON THE JOB?

I ask this question in every keynote and nearly every training session I do. About 10% of attendees raise their hands to say, "Yes, I get enough praise on the job."

I then ask how many in the audience deliver on their performance expectations. Ninety percent of attendees raise their hands. I ask, "So, you're kicking butt, delivering results, and no one notices?" Much laughter ensues.

The informal data I gather in my sessions is interesting. Hard data reinforces this concern. TINYpulse, in its 2014 report

"Employee Engagement and Organizational Culture," found that only 21% of employees feel strongly valued at work.

People need to know how they are doing at work. They have a right to know how they're perceived—what they're doing well, what they need to improve, and so on. Leaders and team members need to know exactly what is expected of them—performance-wise and values-wise. That understanding sets the stage.

Then, employees need frequent, factual feedback on both performance and citizenship (values) so they can maintain great contributions, refine behaviors to improve relationships, learn new skills to solve new problems, and more.

The benefits of having clear performance expectations and clear values expectations, and being held accountable for both, are significant. In my own culture process, which I wrote about in October 2014, I have seen employee engagement go up by 40%, customer service go up by 40%, and results and profits go up by 35%—all within 18 months. (You can go to drtc.me/proof/ to read the full story.)

CRAFTING AN ORGANIZATIONAL CONSTITUTION

The proven pathway to a purposeful, positive, productive work environment is to define your desired culture, align all practices to that desired culture and, over time, refine desired behaviors, strategies, and goals to ensure you thrill team members and wow customers.

As I outline in *The Culture Engine: A Framework for Driving Results, Inspiring Your Employees, and Transforming Your Workplace* (John Wiley & Sons, 2014), leaders must change the rules by way of an organizational constitution that is lived and demonstrated by everyone in your organization daily. This document defines your desired culture.

An organizational constitution is a formal statement of your company's servant purpose, values and behaviors, strategies, and goals. This statement defines what contributions are needed and what citizenship is needed from every player, every day.

How often do leaders formalize their team's purpose, values, strategies, and goals? Only 40% of nearly 4,000 global responders to my online "Great Boss Assessment" indicate their leader has formalized these vital elements.

A servant purpose is your company's present-day "reason for being." It outlines who you serve, how you serve those customers, and to what end—how your company improves your customers' quality of life daily.

Crafting an effective, relevant servant purpose takes time— but it's worth the effort. Humans seek context and meaning. A well-defined servant purpose inspires leaders and team members daily.

Most organizations have strategies and goals defined; these represent your company's measurable performance standards. Very few have values defined in observable, tangible, measurable terms.

By defining desired values in behavioral terms, you specify exactly how great citizens are expected to behave in your organization. Valued behaviors become liberating rules for leaders and team members; they describe exactly how every player is supposed to behave in every interaction. Not sometimes, not only with "best friends" at work—with everyone they interact with.

Here's an example. Integrity is a value that nearly every culture client I work with strongly desires. The first step to defining values in behavioral terms is to clearly define exactly what you mean by that value.

If you were to ask 20 people in your organization what "integrity" means, how many different definitions would you hear? Ten, at least. (Maybe 20!) That's why you can't assume that "everybody knows" what you mean by "integrity" or any of your desired values.

Here's how one client defined integrity: "We are accountable for our actions. We do what we say we will do. We do not compromise our organization's values, no matter what."

Is that a clear definition? Is there any question in your mind what this company means by "integrity" in its workplace?

The definition alone isn't enough. Next, add observable, tangible, measurable behaviors to specify exactly how you want people to interact when modeling your integrity value.

Is there any question in your mind what this company means by "integrity" in its workplace? The definition alone isn't enough. Next, add observable, tangible, measurable behaviors to specify exactly how you want people to interact when modeling your integrity value.

Each behavior is an "I" statement—because every player in your organization must commit to modeling that behavior in every interaction.

The statement doesn't start with "I will…" because the passive "will" indicates a future state. We're not talking about the future. The future isn't relevant. We're talking about how we behave now.

Here's this client's list of integrity-modeling behaviors:

- I hold myself accountable for my commitments and actions; I keep my promises

- I attack problems and processes, not people

- I accept responsibility and apologize if I jeopardize respect or trust

- I align all of my plans, decisions, and actions with the organization's servant purpose and values

Do you see how specific these behaviors are? Is it clear how all players are supposed to behave to model the integrity value at this company?

I coach organizations to have 3 or 4 values—not 10. Also, outline 3 or 4 behaviors for each value (not 10). A small, succinct list of defined values and behaviors is easy for players to remember.

ALIGNING ALL PLANS, DECISIONS, AND ACTIONS

Crafting and communicating your organizational constitution is the easy part. The more complex part is aligning all plans, decisions, and actions to your organizational constitution, specifically to your servant purpose and valued behaviors.

Alignment is a long process. Defining your organizational constitution might take a few months, but alignment will take 18 months to two years.

The only way to build credibility for your valued behaviors is to ensure that all leaders model them in every interaction. When leaders embrace your new behaviors and invite feedback on those new behaviors, employees will enjoy the chance to scrutinize their leaders. (It's a natural phenomenon.)

By living the valued behaviors, leaders will model the teamwork, citizenship, and respect that they want all team members to embrace.

Just as you measure, monitor, and reward progress on performance expectations, you'll need to measure, monitor, and reward progress on valued behaviors.

Six months after you publish your organizational constitution, conduct data gathering on values alignment through a values survey. Every team member will rate his or her boss—up to and including senior leaders—on the degree to which that leader models the new valued behaviors. Along with data on performance progress, you'll have a much more complete picture of a leader's genuine contributions to the organization.

Thereafter, you should conduct the values survey twice each year. The second run of the survey enables team members to rate their bosses, their peers—and themselves.

The resulting values survey profile provides a clear snapshot of how well a leader (or team member, in later runs of the survey) is living your valued behaviors.

Just as you do with performance results, you'll praise aligned valued behaviors and redirect misaligned behaviors. The refinement phase happens every two years or so. This is where strategies and goals are updated to reflect customer and market needs and where valued behaviors can be refined or replaced, as needed.

For example, you might find that two of your integrity behaviors are fully embraced by everyone, almost

unconsciously, but that some new "lack of integrity" practices have emerged. You might replace the embraced valued behaviors with two more relevant behaviors to address new gaps.

FREQUENT, FACTUAL FEEDBACK ON PERFORMANCE AND VALUES

Leaders and team members need to know how they're doing on a regular basis. Our work and our workplaces are fast paced. We know that the annual performance review cycle (and process) does not work. A quarterly check-in probably isn't frequent enough to provide relevant information about how players contribute—how they are performing to standard and how they're modeling desired valued behaviors.

People deserve feedback on at least a monthly basis. Invest time in reviewing performance metrics—praise alignment and redirect misalignment.

In between the twice-a-year formal values survey, gather values insights from key internal customers on how well players embrace desired valued behaviors. Again, praise alignment and redirect misalignment.

Don't leave your culture—the quality of results or the quality of workplace interactions—to chance. Make expectations clear. Measure how well results are achieved and how well values are lived.

Finally, be an exemplary model of performance and values yourself, in every interaction. AQ

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Successful Organizations Value Trust

## Science shows that there is an organic component.

BY PAUL J. ZAK, PhD

Arriving in Malke, a remote village of 1,000 people in Papua New Guinea, I had only three days to run the first-ever organizational culture experiment in a rain forest, so I had to get my equipment working. While experiments I ran in my laboratory and in companies in the United States had shown that a culture of trust generates high performance, testing members of an isolated tribe would help me determine if trust improves performance everywhere. Adding to the pressure of doing neuroscience in the rain forest, NHK TV from Japan would be filming the experiment.

Naturally, the experiment gods had other ideas.

Malke has no electricity or running water, so I brought all the supplies I would need: a suitcase full of sterile needles, blood-collection tubes, latex gloves, and a small centrifuge—items that shocked New Guinean customs agents despite my government permit. Waiting for me in the capital, Port Moresby, was a rented generator to run the centrifuge and liquid nitrogen flown in from Japan that I needed to freeze blood samples so I could get them back to my California lab.

A small plane took me to the Western Highlands; then a four-wheel-drive transported me over barely passable mud tracks to Malke. I unloaded my gear, built a serviceable medical hut, and started testing the equipment. The centrifuge made a burning smell that I traced to a buggy voltage regulator, and the liquid nitrogen that I was promised would last a week had evaporated. This deep in the jungle, the markets I could reach sold basic foods and recycled everything else.
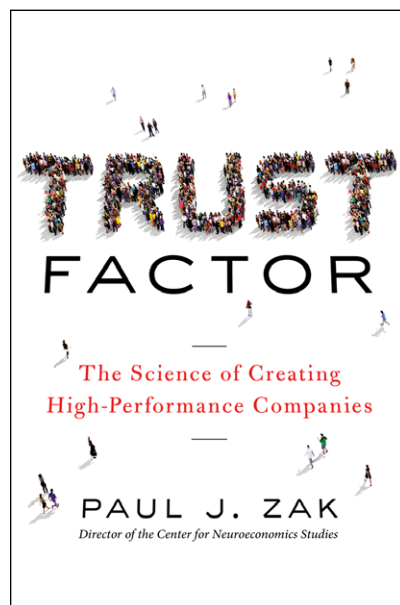
My lifeline was Digicel. This Irish-owned, Jamaica-based, low-cost mobile-phone provider allowed me to call liquid nitrogen suppliers from Australia to Japan from 7,000 feet above sea level. So I sat on the grass and started making calls, hoping I could cajole some supplier to make a long-distance delivery. I was agitated and defeated.

Then the villagers began to sit down beside me. After 20 minutes, 30 or 40 people had crowded around, and I put away my phone. The children started holding my hands and smiling. I made faces at them, and we all laughed. The village chief, Edward, came over and put his hands on my shoulders and said, "Hi-oh," the New Guinean pidgin greeting. I said "Hi-oh" back. Within an hour, I was being treated like a member of the village. The Malkeans welcomed me into their thatched-roof houses and

into the outbuildings where the men practiced the rituals of their ancestors. As I relaxed into their hospitality, my problems slipped away.

While the data I would collect were fascinating, my experience in the rain forest was life-changing. I was warmly welcomed into an organization with people to whom I could barely communicate. What made them trust me, and me them?

We humans have been "doing" organizations for perhaps a million years, since our ancestors formed tribes to bring down large prey and jointly care for children. We are exquisitely good organizational men and women. Yet we still struggle to create cultures that are safe, engaging, productive, and innovative. Cultures are the way social creatures transmit information about how we do things and the values we hold sacred. Culture has a powerful effect on human behavior, including behavior at work.

People create cultures, join cultures, and change cultures, yet most of this is done unintentionally, so we are unaware we are doing it. In order to understand how organizational culture affects performance at work and in life, a decade ago I started measuring brain activity from people while they worked.

One reason for our culture blindness at work is that we instinctively create culture. Because it arises without effort, we hardly notice it. Anthropologists measure the attributes of cultures through observation, but the approach my research team has taken is different. As neuroscientists, we asked if culture could be designed for high engagement based on our knowledge of the social brain. Recent findings in social

neuroscience—a number of them from my lab—have provided fresh insights into why some organizations achieve high performance while others stumble. We call this approach to organizational design neuromanagement. My book *Trust Factor: The Science of Creating High-Performance Companies* (AMACOM, 2017) reports a decade's worth of testing and refinements of these implications, including field experiments in businesses and my consulting work for for-profit companies, nonprofits, and government agencies.

Leaders of organizations have been allergic to measuring culture for a variety of reasons, foremost among them because managing people has been seen

Trust Factor presents the neuroscience of organizational culture and provides examples of organizations where work is fulfilling and even fun.

as an art, not a science. Researchers who applied science to management, like the early 20th-century sociologist Frederick Winslow Taylor, often misapplied it by reducing managers to enforcers of ever-smaller tasks. Taylor, in particular, failed to recognize that organizations are people embedded in a culture. Later 20th-century scholars understood the culture-is-us aspect of corporations, but they did not have access to insights from the neuroscience of human sociality because the field only blossomed in the 21st century. Instead, they embraced each psychological fad: Freud, Jung, and Skinner. Or the latest economics and management fads: Six Sigma, Economic Value Added, or the Behavioral Economics of Organizations. In most of these approaches, employees were doled out rewards like so many bread crumbs given to rats. And they hated it.

Managing people as human

resources to be exploited for maximum gain produced workplaces that confirmed economists' claims that work provides disutility. Or, in the vernacular: Work is a drag.

Except sometimes it wasn't. There are organizations in which employees love what they do, where they are satisfied professionally and personally by their work, and where they choose to spend their entire careers. *Trust Factor* presents the neuroscience of organizational culture and provides examples of organizations where work is fulfilling and even fun. At these organizations, the disutility of work has mostly disappeared. The practical approach to culture that this book describes is grounded in science and tested in real organizations.

From scientist to culture maven

I did not plan to be a culture maven. I run a 25-person neuroscience lab, and I'm trained as an economist and as a neuroscientist. I helped start a field called neuroeconomics that measures brain activity while people make decisions. Neuroeconomics tells us why people do what they do rather than describes their behavior with pejoratives like "irrational." Perhaps more to the point, I'm the son of an engineer, and my neuroscience experiments are designed to engineer solutions to real problems that real people face.

I've been called a vampire economist because I spend much of my professional life taking blood from willing volunteers to measure neurochemical changes during decisions, just like I was doing in Papua New Guinea. I was the first scientist to

show that the brain synthesizes the neurochemical oxytocin when we are trusted and that oxytocin causes us to reciprocate trust by being trustworthy. Oxytocin actually does much more than that, profoundly affecting the way individuals behave socially and the way societies are organized, as I reported in my 2012 book *The Moral Molecule.* I spent more than a decade running experiments to document what inhibits and promotes oxytocin release in healthy people, patients with psychiatric and neurologic disorders, and even psychopaths, but my initial research on trust seemed to attract the most attention.

In research I published in 2001, I showed that a culture of trust was among the most powerful predictors economists had ever found to explain why some countries are prosperous while others are poor. High-trust countries have more social interactions that result in more economic transactions that create wealth than do low-trust countries. Trust acts as an economic lubricant, reducing the frictions inherent in economic activity. My research identified the factors that policymakers could affect to increase interpersonal trust and stimulate economic growth. My oxytocin research showed how this occurred in the brain.

After nearly every social science fad failed to produce consistently engaged employees, a number of executives came knocking on my lab's door asking about trust. They believed that interpersonal trust was important for their organizations and thought the science I had done could help them create high-trust cultures. Convinced this was an important problem, I turned my neuroeconomics lens on organizations.

Starting with the mathematics of trusted transactions, I added in what my experiments had shown about the neurochemical signal of trust, oxytocin. From this I surveyed work by neuroscientists and psychologists who were discovering how the brain responds to social interactions. I then put this into a model of culture and compared my model's predictions to what was happening in businesses. I found that

high-performance organizations have cultures with high interpersonal trust and highly motivated employees. The cultures in these organizations objectively perform better. The Gallup organization reports that companies with engaged employees are 22% more profitable than those in which employees are watching the clock.

Laszlo Bock, senior vice president of people operations at Google, has written that "culture underpins everything we do at Google." "Culture" was *Merriam-Webster*'s word of the year in 2014. In 2015, the world's largest management consultant, Accenture, identified "optimizing organizational structures for productivity" as a key challenge that organizations face. In other words, culture matters. A lot. While it is fine to talk about culture, a survey of 200,000 employees at over 500 companies reported that 71% of companies have mediocre to poor cultures.

My research shows that it is not just any culture but a culture of trust that generates powerful leverage on organizational performance. "Trust between employees and senior management" was the second most important contributor to job satisfaction according to the 2015 Society for Human Resource Management "Employee Job Satisfaction and Engagement" survey. Only "respectful treatment of all employees" was chosen more than trust. Google's Project Aristotle studied 180 teams and found that the best predictor of high performance was whether the team had a culture of trust. Fully 50% of CEOs think that low trust in their organization is a threat to growth. But most companies have put little effort into closing the trust gap because they are not sure what to do.

In *Trust Factor,* I make a business case that building a culture of trust is essential if an organization is going to be successful. In the book's final chapter, I report multiple streams of data showing that employees in high-trust organizations are substantially more productive, have more energy at work, stay with their employers longer, recommend their workplaces to family and friends, and are significantly more innovative. Those who work in high-trust organizations also more effectively

> **In *Trust Factor*, I make a business case that building a culture of trust is essential if an organization is going to be successful.**

collaborate with co-workers, suffer less chronic stress, and are healthier and happier than employees working at low-trust companies. My research uncovered perhaps the most interesting fact about high-trust organizations: They pay their employees more. The only way this can occur in a competitive labor market is if employees in high-trust companies generate more profit than their low-trust associates.

The business case for creating a high-trust culture also comes from companies that I have worked with, especially those engineering turnarounds. Data from these companies show you how culture reboots have a salubrious effect on employee engagement and multiple business-relevant performance measures. These cases show you how to systematically upgrade your culture so that people work more effectively with each other. I also share data from neuroscience experiments I have run in businesses while employees work that show how trust affects brain activity and employee focus, and motivates a desire to make an extra effort to reach organizational goals. A culture of trust is a powerful lever on human behavior—as long as it is properly implemented.

There is a lot that feels good in *Trust Factor*, and if my findings fit your personal philosophy about work and life, I could not be happier. But unless you have a billion dollars of retained earnings and can do pretty much whatever you want, the data in the book's final chapter prove that creating a human-centric high-trust culture is an absolute necessity to maintain a business's competitive advantage.

Trust profoundly improves organizational performance by providing the foundation for effective teamwork and intrinsic motivation. Trust empowers colleagues to meet objectives in the best way possible while committing them fully to the organization's goals.

Trust requires viewing those with whom one works as whole and complete human beings, not as pieces of human capital. When this occurs, those who work in high-trust organizations not only perform better at work, they are more satisfied with their lives outside of work, being better parents, spouses, and citizens. The effect of trust on quality of life is considerable; Canadian economist John Helliwell and his colleagues found that a 10% increase in employee trust in a company's leaders has the same impact on life satisfaction as a 36% increase in salary. Creating a culture of trust is exactly where doing good and doing well coincide. AQ

Paul J. Zak is a scientist, author, and public speaker. He is the founding director of the Center for Neuroeconomics Studies and professor of economics, psychology, and management at Claremont Graduate University. Zak also serves as professor of neurology at Loma Linda University Medical Center. He has degrees in mathematics and economics from San Diego State University, a PhD in economics from University of Pennsylvania, and post-doctoral training in neuroimaging from Harvard. He is credited with the first published use of the term "neuroeconomics" and has been a vanguard in this new discipline.

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Agile Education for an Agile Workforce

In a 2015 Gallup poll, only 13% of Americans strongly believed that college graduates are well prepared for the workplace. Worse, in the same poll a full 25% of all college graduates in the United States reported failing to thrive in their overall careers and lives. While four-year schools don't appear to be preparing students enough for the workforce, the level of expertise required for new jobs continues to go up. An estimate by the Georgetown University Center on Education and the Workforce projects that by 2020, roughly 65% of jobs in the United States will require at least two years of education beyond high school.

As the United States takes a hard look at its national competitiveness in the global economy, it's time for employers to evaluate their workforce not just in terms of readiness but also ability to be adaptable.

Developing a competent workforce isn't just about bridging a skills gap. Tomorrow's leaders need perspective to keep things moving forward and in a positive direction. Radical change, new technology, and intense global competition are the new norm. Employees need to be ready emotionally for constant change and a whole new way of working.

To keep the workforce agile and competitive, we need to prepare and train people differently. It's not enough to offer technical skills. The new employee requires high proficiency in soft skills—personal effectiveness, leadership, management, and communication—to keep up. Employees need coaching and strong personal effectiveness skills to make sure they are resilient, focused on strategy, and flexible for whatever comes their way.

To facilitate adaptability, organizations need access to training, and they need managers who are ready to lead the organization through periods of intense transition. Agile higher education, such as the live online and in-person seminars, onsite training, one-day workshops, and asynchronous, on-demand training courses offered by AMA, already gives organizations a big bang for their buck. These options reduce the need for costly travel and deliver exactly what employers need when they need it. But to really be ready, organizations must ensure their frontline managers are equipped to coach employees through rough spots and make decisions that bring them closer to achieving their strategic goals.

In addition to offering just-in-time and on-the-job training, employers can now offer targeted instruction using assessments. Assessments provide an objective way to evaluate individuals and see where they need to improve compared with their peers, their team, and the industry. AMA has a wide array of assessments, from 360s to profiles of communication styles. In 2017, we'll be launching a new assessment to determine managerial readiness. Give us a call to find out more.

Edward T. Reilly
President and CEO
American Management Association

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