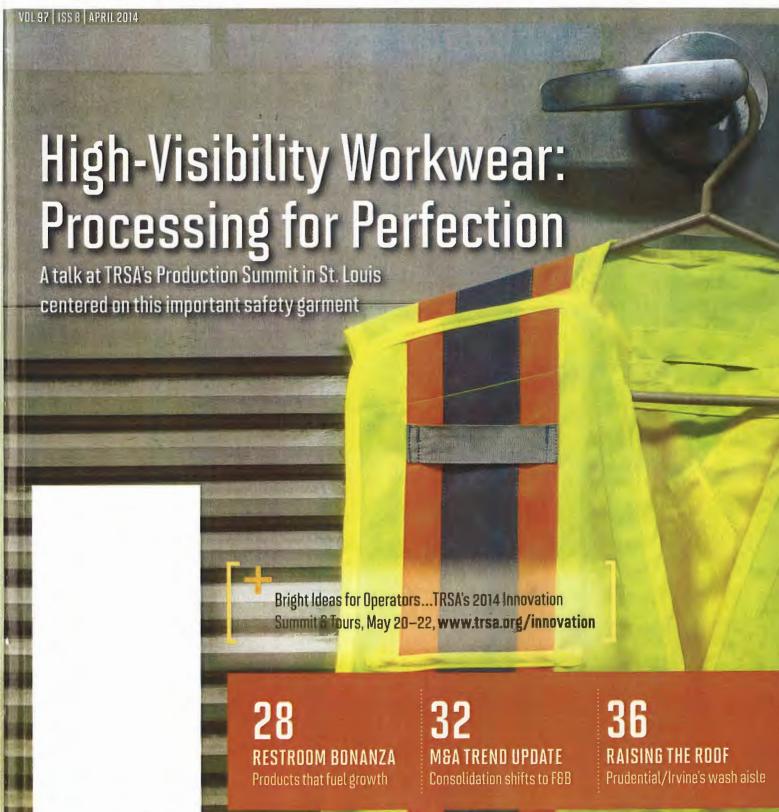


TEXTILE SERVICES



ABCs, Oh Baby Now...

A practical guide for assessing and deploying talent in your company

By Bruce Hodes

lot of factors impact the long-term success of a business entity, and achieving success is a complex process. As businesspeople, we can't control the economy, our competition, taxes, healthcare plans, or national events.

However, I think we can agree that the quality of employees in an organization directly affects that organization's performance. Even with unions, executives and managers ultimately do control who works in the company. Leveraging the "people piece" is essential to enhancing a company's performance advantage. People are one of your most important business assets. By calling people "assets," I do not mean to objec-

tify them—but maximizing resources is one of the responsibilities of business leadership. The "ABC" process I'm going to tell you about is designed to give your company an edge in both people and performance.

An article called "A New Game Plan for C Players," by Beth Axelrod, Helen Hadfield-Jones and Ed Michaels, helped crystallize my ideas about

working with management teams. The article also reinforced solutions that I am successfully implementing with my clients—namely, improving companies by driving out mediocrity. By raising the bottom of a company, you automatically raise the top.

Before we go on, let me make a disclaimer. Management's ranking of employees is controversial. Forced ranking is something that many large, publicly traded companies do. I am not endorsing this methodology, or that of Jack Welch, who supposedly advocated culling the bottom 10% of the GE herd each year. What I am endorsing, and heartily proposing, is that

you only have truly outstanding and incredible employees in your company. Now there is a radical thought. If you have this attitude, then the following process will be of significant value.

OPEN ASSESSMENTS

During my clients' strategic planning meetings, I have each manager stand in front of the room. The managers are then asked to rank—one at a time—their direct reports as an A, B or C Player. Now, the group has to be mature, sophisticated and responsible enough for this type of activity. I ask managers to read several articles about the process in advance, so everyone already under-

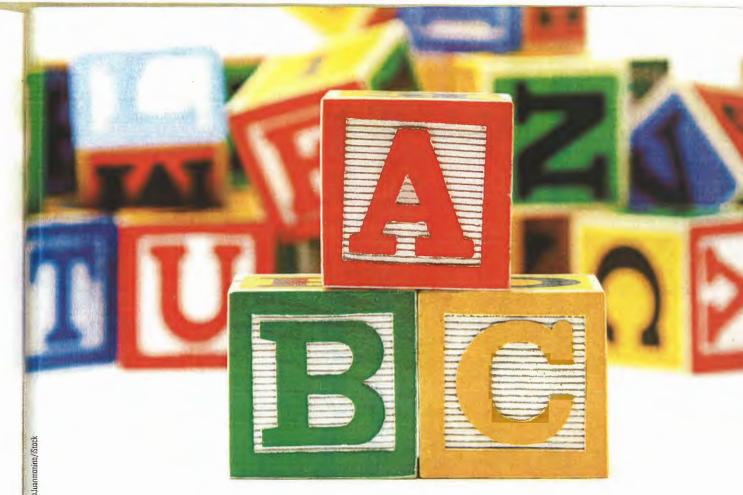
stands it. Once the manager ranks employees and explains his/her rationale, others at the table can give their views. Only those who have work-related experience with that person should state their rankings and justification.

I've seen very positive results from the dialogue that managers hold with their leadership team about key employees.

Managers realize how others perceive their direct reports. Issues that lie below the surface are brought to light. The team then can design actions to deal with those issues.

Another disclaimer: this exercise is not about hearsay and gossip. Participants must have an adult sophistication. For example, absolute confidentiality is a must. What goes on in the meeting room stays in the meeting room; all participants need to understand and honor this. Anything less requires discipline up to and including dismissal.

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DEFINING THE PLAYERS

What were you thinking?

If you are a CEO or manager with direct reports who would come up with Ds and Fs in a school grading system, I cannot help you. Tolerating employees of this quality in your company doesn't allow you to respond appropriately to—let alone thrive in—our current business environment. These low-grade employees (and the managers who tolerate them) are impacting the rest of your organization. Not only do low-grade employees drag down the company, but they also have a negative impact on your great and superstar employees.

In short, if you have more than a few D and F employees, sell the firm and do something to save yourself. Your prognosis (and that of your company) is—at the very best—grim. In the next

minute, you will be falling off a high cliff. Good luck and start to pray!

OUT WITH MEDIOCRITY

From now on, I'll refer to mediocre employees as "C Players." These employees are marginal in their performance and unremarkable in any positive attribute they bring to the workplace. They exist, take up space, and just get their jobs done, sort of.

A test for "C-ness" is putting yourself in this scenario: if one of these employees came up to you and said they were quitting, would you be relieved? Would your relief be because you're certain you could do better by recruiting a new employee from the open marketplace? If so, you have a classic C Player on your hands. Know anyone like this? Grab a piece of paper and make a list of those people. You will need it later on.

I've heard C Players defined as employees who have bad attitudes and can't collaborate; employees who do not have the skill sets needed to develop and execute what the job requires; and employees who do the same thing day after day and year after year. Again, you know you have mediocrity around you when you envision a particular employee leaving and can't imagine feeling anything but thrilled.

In my work, I have seen companies where no one was average. Mediocrity was simply not tolerated. And because these companies set higher standards, they achieved better results in the marketplace.

MOST VALUABLE PLAYERS

"B Players" are great employees and absolutely worth their weight in gold. They are in alignment with the organization's mission and values. As corporate citizens, they care deeply about

HR STRATEGY

their internal and external operations. They are probably not being promoted, but that is fine because they are doing great right where they are.

"A Players" have all the attributes of B Players. They also have the talent, desire and ability to be promoted. They are interested in professional growth and development. These players, with development, could be moved to

OUICK SUMMARY

- Whenever you engage in this process, it is very important that you hum Michael Jackson's "ABC" song. That really is the secret to success (just kidding).
- Introduce the process to your organization by asking managers to read the recommended articles: "ABCs" by Bruce Hodes or "A New Game Plan for C Players" by Beth Axelroid, Helen Hadfield-Jones, and Ed Michaels.
- In a scheduled group session with your managers, rank your employees as A, B or C.
- Deal with any C Players you may have. Remember the options: put them in a new role, coach them, or ethically and honorably move on to better options.
- 5. Treat your B Players as a resource.
- Identify the A Players on your team. A
 Players need plans that develop and
 train them so they are indeed ready
 for promotion; I advise incorporating A
 Players as full partners in developing
 those prants.
- Follow up with the leadership group in two months to ensure that issues are actually being addressed.

leadership either within or outside their current departments.

WARNING! PITFALL

A pitfall I've often seen with classifying employees in this way is that managers want shades of gray. They want to rate employees as C+ or B-. They want to make excuses and dance around the issue. It is important that they stick to the A, B and C buckets. In this process, there are no minuses or pluses allowed. Do not permit gray. Managers need to make choices and deal with the consequences. Employees are either making it as credible A or B Players or not. Managers need to be responsible for whom they are allowing to play in their sandbox; there are no "maybes" on the invitation.

THE NEXT STEPS

What's good about this system of ranking employees is that the issues are on the table, and managers can act accordingly.

A PLAN FOR C PLAYERS

Once an employee has been identified as a C Player, there can be three resolutions:

1. He/She can be put into a new role, where his/her skill set might allow him/her to become a B Player. For example, the engineering manager for a company I worked with was, at best, marginal in his position. He was moved from having direct reports into being part of the sales team. Since then, company sales grew dramatically, and new customers are better cared for. With an open mind and strong knowledge of an employee's strengths, placing an employee in a new role can greatly improve outcomes.

- 2. The manager can take the employee on for development and coach him/her into becoming a B Player. At this point, the employee understands that his/her job is on the line, and the manager clearly outlines the required behavioral changes. For the next few months, the manager coaches and supports the employee. Turnarounds can happen.
- 3. It might be decided that the only alternative is to move on and replace the employee. The decision then is how to proceed in an ethical and honorable manner. A question I ask is: "Does the employee know that his or her job is on the line?" Managers often hem and haw and say they "think so," or that the employee "should know."The standard I set is higher: "Did you say to the employee that these performance issues need to be addressed, and if not, he or she will be let go?" If the issues are not on the table with the employee, the first order of business is to put them there. Surprising an employee about performance issues is unethical. After an employee is aware of the gravity of the situation, the manager should have two months to resolve the issue one way or another. A time constraint is important in order to establish urgency.

DO NOT LEAVE B PLAYERS ALONE

B Players are incredibly valuable. They deserve training, development and rewards. Do not take them for granted or assume that they will necessarily remain Bs. Treat them as a real resource. Check in with them regarding their aspirations and what they want to accomplish. Find a way to lelp them grow in their role.

Take Ralph, a manufacturing manager, for example. He was a very loyal and dedicated employee who absolutely contributed to and embodied the culture. He successfully managed his seven productive direct reports. However he was not going anywhere else in the organization due to a lack of education, knowledge and limited analytical skills. Ralph preformed his job quite well and was appreciated for his overall contribution to the organization. Ralph was the epitome of a solid B player.

In order to enhance his role in the organization, the leadership group appointed him as head of the safety committee. While others, mainly the HR manager and vice president of manufacturing, needed to support Ralph in

this role, it worked. The safety committee, under Ralph's leadership, made real progress. The company received a safety award and other companies are emulating their approach. Ralph is quite proud of what the committee accomplished. He has also been asked to coach and be a resource for safety programs in other organizations. Ralph found this role to be an exciting use of his talents. He is a great example of how to take care of and develop your B players.

COMING UP SHORT

Another positive feature of the A, B and C process is that it can be used to identify A Players. Once an A Player is identified, the manager should consider creating a training and development

program to be laid out in a subsequent meeting with this employee. On the other hand, if the ABC process reveals an absence of A Players, that issue must be addressed as well. A common solution is to start intentionally hiring only potential A Players and thus developing some real managerial growth potential in the company.

There you have it: a methodology guaranteed to drive mediocrity out of your organization—from the bottom up. **TS**

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