January 28, 2016

LOL Journal - Accountability: Agreements and Appreciation

This is kind of funny. Investment firms believe that accountability is important to success, AND they believe they do it pretty well. How do we know this? Because our culture data compares "existing" values with "aspirational" values: *what we have vs. what we want*. Accountability is high on both. *We have it and we should have it.* Here's the funny part. The value "clear performance goals" is low on "existing" and high on "aspirational." *We don't have clear goals, but we need them!* Ok, it's not LMAO funny, but it is kind of funny. Firms are saying, "*We've got this accountability thing figured out, so no worries*." But then they are also saying, "*We're not sure what our goals are*." It reminds me of the old pilot joke: the good news is we're making excellent time. The bad news is we are hopelessly lost. I mean, how can you hold people accountable if you don't know what the goals are?!

When FCG teaches accountability, the first part of the training is: clear agreements. For me to hold you accountable, we have to have a clear agreement about the goal and the measurement. That sounds simple enough, in fact it's the heart of Blanchard's classic book, "The One Minute Manager." I went back and reviewed this book recently, first released in 1981. If you only had 30 minutes to read something on accountability, this would be a great choice. Years ago, Frank Holmes, CEO of U.S. Global, showed me the book and I still remember the smug reaction I had, "that's some trendy self-help book." (Read: useless.) Frank's a smart, practical guy and he knew a long time ago this was a great primer on accountability. (By the way, Frank is from Canada, now living in Texas, and is the only person I know who says, "eh?" and "y'all" in the same sentence.)

So, what are the gems of wisdom contained in this little book? Three big ones:

1. **Agree on goals**. As I indicated above, most firms do NOT do this. Both boss and employee are guilty of lots of "assuming." They each violate a key management principle: no surprises, no guessing. My view of why so few managers get clear agreements on goals is that it requires some hard work. And it can lead to some awkward conversations: "You expect me to do WHAT? That's NOT the job I signed up for!" or "You expect me to find HOW many new clients per quarter?!" So, easier to leave it vague and under the general heading of a job description. Example: *Research Analyst: Analysts are responsible for coverage of publicly traded firms in a given sector and for providing research ideas for the portfolio managers to invest in…etc.* This statement is useful as far as it goes, but goals need to be specific so that you can answer the question, "Is the person succeeding or not?"

2. **Appreciation.** Fascinating, as I re-read the little book I realized that Blanchard is completely aligned with FCG's view of appreciation as a powerful tool for managers. Blanchard coined the phrase, "Catch someone in the act of doing it right!" And then praise them. Here are his tips:

a. Praise the behavior with true feelings
b. Do it soon and with specifics (what exactly did they do well?)
c. Encourage them with true feelings, shake hands
d. Set new goals

   Notice that Blanchard emphasizes "true feelings" in his tips. In FCG's Cube-It model for feedback—facts/story/reaction/request—we also include feelings ("reaction") as part of the formula. Research indicates that in managing -- or parenting -- sharing true feelings helps the feedback process. And Blanchard states the obvious but important point: managers have to actually care about their employees. (*What? I have to actually care about these knuckleheads?* Yep. But we'll give you a hazmat suit in case they try to hug you.)

3. **Reprimand**. This is the tough part. It's much easier to high five someone than to sit them down and set them straight. Blanchard's tips are nearly identical:
   a. Reprimand the behavior with true feelings (this is uncomfortable for most of us, at least those of us who haven't done time for major crimes…)
   b. Do it soon and with specifics (what exactly did they do wrong?)
   c. Encourage them with true feelings, shake hands
   d. Review, clarify and agree on goals, and how to do them correctly this time

   Note that Blanchard is NOT recommending the "sandwich style" of feedback:
   Manager walks into the employee's office and says, "Hey, love the new tie. Goes great with the shirt. The report you wrote about ABC firm sucks. Re-write it. Nice cufflinks, too. You are looking good!"
   Obviously, if you are dealing with someone whose IQ is larger than their shoe size, they won't appreciate this not-so-subtle attempt at handling them. Blanchard is very clear in his advice: give them the reprimand first, and very directly. Then reassure the person that you really value them and their work and that is why you are giving them feedback. Again, you have to actually care about them and believe in their skills to make this approach successful. For most managers, FCG recommends a preliminary set-up statement in which you practice mutual purpose and mutual respect BEFORE you hit them with the critical feedback. Not false flattery, as in the sandwich approach, but honest alignment around a mutual purpose delivered with genuine respect. Example: *We're both working hard to keep this client happy. I think these reports need to be top notch. Do you agree?*

FCG is largely aligned with Blanchard's classic advice. A couple of nuances are worth mentioning.

1. There is an art and science to making good agreements. Each of the points below is worth thinking about and including in your agreements "hygiene" checklist:
    - **Process for making agreements:**
        1. **Propose the agreement** (*I propose we schedule a meeting to discuss hiring a new analyst.)*
        2. **Check for understanding** (*We invite Joe, Sally, and Frank. We discuss pro's and con's and see what the group thinks. We may or may not decide in that session.)*
        3. **Check for agreement** (*Let's hear from each person, do you want to schedule that meeting?)*
    - **Who, What, When? For every agreement** (From previous example: *who will schedule the meeting about a new analyst by when?*)
    - **Only make agreements you feel completely aligned with and committed to**
    - **Make agreements only about things you have control over**
    - **Record your agreements** (don't trust memory, it is highly fallible!)
    - **Scrupulously keep your agreements**
    - **Renegotiate agreements immediately upon seeing a need for a change**
    - **Clean up broken agreements**

2. The final point on the list above "clean up broken agreements" is the subject of an entire book, "Crucial Confrontations" by Kerry Patterson. As simple as Blanchard makes the reprimands sound, they are usually not simple! (When was the last time you gave tough feedback and the person reacted with, "Wonderful! Thanks so much. I really needed to hear that! I feel much closer to you now." Like NEVER!) When FCG teaches accountability to leaders, the first two steps—agreements and appreciations—take up half the time, and the final step of reprimands (i.e. crucial confrontations) takes the whole second half! And also takes a separate installment of LOL. ☺ Next time: delivering reprimands (critical feedback) in a way that does not get you punched in the face.

Curiously yours,

JW