

What creates sustainable, long-term success?

By Markku Kauppinen

Calvin struck me immediately as someone who could understand the big picture, especially when it came to his employees. He is able to align his strategy with his people. However, what was most remarkable about Calvin was his ability to quickly thin-slice the information while not immediately jumping into the obvious conclusions.

Calvin leads the salespeople of seven dealerships. Let me tell you – it is no easy task. It is a very competitive retail environment where customers make one of their most expensive and emotional buying decisions. The salespeople work long hours, on full commission and, in a typical dealership, they seem to change employers at a faster rate than Hollywood stars their spouses. Usually, employee turnover is a problem that not only costs the dealerships a lot of money, but also creates constant headaches.

On one afternoon I was sitting in Calvin’s office discussing how he was using the information Extended DISC provides.

“Have you identified what employee behaviors create success for you?” I asked him.

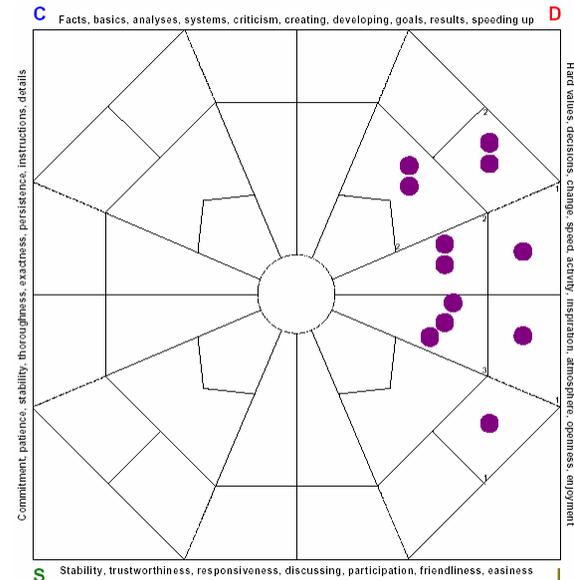
“What do you mean?” Calvin asked right back.

“Well, do you know, for example, what styles of employees tend to sell most cars every month?” I continued.

“Of course. Let me show you.”

Calvin went on to show me how he had mapped his top performers. It was very clear. The top producers – Calvin calls them his “top guns” – were all located in a very narrow area on the Extended DISC map.

Map 1 – The “Top Guns”



D	58%	7
I	42%	5
S	0%	0
C	0%	0
Total	100%	12

What impressed me the most, however, was that he really understood how to best use the information we were providing him. You see, when I quickly commented, “So are you looking for those behavioral traits in your new salespeople?”

Calvin replied calmly: “No.”

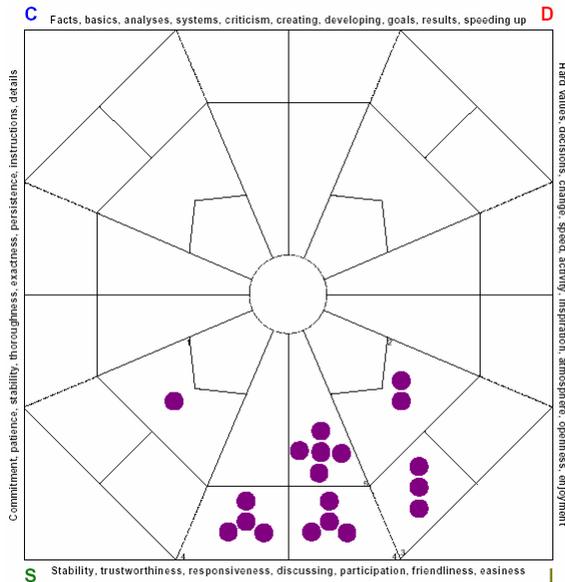
“I don’t quite understand. I thought you just told me that they are your top guns.”

“They are, but not for very long. What happens is that during any given month one of my top guns sells the most cars. However, my competitors either quickly find out about them, or my top guns look for a little better pay elsewhere. They are usually gone in a few months. In either case, I am left without a salesperson on the floor and that equals no sales and big recruiting costs and headaches for me.”

“So what do you do?”

“I look for salespeople who fall into this area.”

Map 1 – The Long-term Producers



D	0%	0
I	74%	14
S	26%	5
C	0%	0
Total	100%	19

“They stay with me and, over longer periods of time, they sell more cars. I can train them how to sell. They are more loyal and stay with me. I have cut my employee turnover by almost half. The owner is thrilled.”

Now, that is smart application of the information provided by Extended DISC.

Have you identified what employee behaviors create sustainable, long-term success for your organization? If not, how much does it cost you? What will happen to you if you do not do something about it?

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To Help Others Develop, Start With Yourself

By Marshall Goldsmith

Listen to what General Mills CEO Steve Sanger recently told 90 of his colleagues: "As you all know, last year my team told me that I needed to do a better job of coaching my direct reports. I just reviewed my 360-degree feedback. I have been working on becoming a better coach for the past year or so. I'm still not doing quite as well as I want, but I'm getting a lot better. My coworkers have been helping me improve. Another thing that I feel good about is the fact that my scores on 'effectively responds to feedback' are so high this year."

While listening to Steve speak so openly to coworkers about his efforts to develop himself as a leader, I realized how much the world has changed. Twenty years ago, few CEOs received feedback from their colleagues. Even fewer candidly discussed that feedback and their personal developmental plans. Today, many of the world's most respected chief executives are setting a positive example by opening up, striving continually to develop themselves as leaders. In fact, organizations that do the best job of cranking out leaders tend to have CEOs like Steve Sanger who are directly and actively involved in leadership development. That has certainly been my experience, confirmed by a recently completed research project at Hewitt Associates, one of the largest HR consulting firms. Hewitt and *Chief Executive* magazine put General Mills on their latest list of the top-20 companies for leaders, among such familiar names as IBM and General Electric.

Hewitt found that these organizations tend to more actively manage their talent. They put lots of focus on identifying high-potential people, better differentiate compensation, serve up the right kinds of development opportunities, and

closely watch turnover. But crucial to all these efforts were CEO support and involvement.

No question, one of the best ways top executives can get their leaders to improve is to work on improving themselves. Leading by example can mean a lot more than leading by public-relations hype.

Michael Dell, whose company made the Hewitt list, is a perfect example. As one of the most successful leaders in business history, he could easily have an attitude that says, "I am Michael Dell and you aren't! I don't really need to work on developing myself." Michael, however, has the opposite approach. He has done an amazing job of sincerely discussing his personal challenges with leaders across the company. He is a living case study from whom everyone at Dell is learning. His leadership example makes it hard for any leader to act arrogant or to communicate that he or she has nothing to improve upon.

Johnson & Johnson, tied for first on the top-20 list, has successfully involved its executives in leadership development. Its CEOs, formerly Ralph Larsen and now Bill Weldon, and top executive team regularly participate in a variety of leadership-building activities. Having a dialogue with the CEO about his business challenges and developmental needs makes it a lot easier for employees to discuss their own business challenges and developmental needs.

That kind of candor can even help turn around a troubled company. Consider Northrop Grumman, the aerospace defense contractor. CEO Kent Kresa inherited a company that had a poor reputation for integrity, a battered stock price, and an unfortunate reputation as one of the least-

admired companies in its industry. His leadership team reversed the company's poor image and engineered a turnaround in performance. From the beginning of the process, Kent led by example. He communicated clear expectations for ethics, values, and behavior. He made sure that he was evaluated by the same standards that he set for everyone else. He consistently reached out to coworkers. He didn't just work to develop his leaders—he created an environment in which the company's leaders were working to develop him.

Unfortunately, in the same way that CEO support and involvement can help companies nurture leaders, CEO arrogance can have the opposite effect. When the boss acts like a little god and tells everyone else they need to improve, that behavior can be copied at every level of management. Every level then points out how the level below it needs to change. The end result: No one gets much better.

The principle of leadership development by personal example doesn't apply just to CEOs. It applies to all levels of management. All good leaders want their people to grow and develop on the job. Who knows? If we work hard to improve ourselves, we might even encourage the people around us to do the same thing.

Dr. Marshall Goldsmith recently been named by the American Management Association as one of 50 great thinkers and business leaders who have impacted the field of management. His 18 books include the Business Week best-seller, *The Leader of the Future* and *Global Leadership: The Next Generation*. Marshall is a world authority in helping successful leaders achieve positive change in behavior: for themselves, their people and their teams.