

# THE LEADER LETTER

STRONGER PEOPLE. STRONGER ORGANIZATIONS.

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Past Issues

Practical Leadership Blog

## In this issue...

May 2014, Issue 134

[Making Performance Appraisals an Inspiring Event](#)

[8 Keys to a Motivating Vision](#)

[Beware the Self-Assessment Trap](#)

[The Nine Behaviors of Outstanding Performers](#)

[Building on Strengths Key to Improving Organizational Health](#)

[Employee Engagement Reflects Leadership Effectiveness](#)

[Webinar: 7 Ways to Increase Employee Satisfaction Without Giving a Raise](#)

[Jack Zenger and Joe Folkman Named Thought Leaders of the Year](#)

[Thoughts That Make You Go Hmm on... Mindfulness in the Age of Complexity](#)

[Tweet Reading: Recommended Online Resources](#)

[Read The Leader Letter in Twice Weekly Installments](#)

[Feedback and Follow-Up](#)

## MAY 2014, ISSUE 134

Many people find giving or getting performance appraisals stressful and negative. That's likely why one of the most popular white papers we've featured in some time was [Making Performance Appraisals an Inspiring Event](#).



Strengths-based performance discussions can dramatically change the energy, focus, and effectiveness of these discussions. Focusing on strengths creates higher energy and much more positive outcomes.

One of Zenger Folkman's long term Clients is BARD Access Systems providing vascular devices to the healthcare industry. Vice President of Human Resources, Mary Settle, reflects on their journey to shifting the power of performance feedback: "... their research caused us to rethink our performance management philosophy. We revamped our process to orient it more toward building employees' strengths. The results have been remarkable ... The biggest change has been in the energy people have for the performance management process. It is now something that most employees look forward to. How many companies can say that?"

This issue publishes my April [blog posts](#). Building strengths continues to be our key focus. Adding to growing evidence on the power of strengths-based leadership development is research on building strengths for improving organizational health.

ServiceMaster chairman emeritus, C. William Pollard, in his book *The Soul of the Firm* wrote, "...if growth is to sustain itself, the people of the firm must also grow. We must learn to major in people's strengths and not just correct their deficiencies. After all, we hire people for what they can do and not just for what they cannot do."

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Outstanding leaders, inspired teams, and peak performance organizations aren't developed by reducing weaknesses. Extraordinary performance comes from building strengths.

## MAKING PERFORMANCE APPRAISALS AN INSPIRING EVENT

Last month I was working with a diverse group of senior operating executives at their professional association's leadership forum. The new research we reviewed and discussions we had on building leadership strengths resonated strongly with the group -- especially our Best Leader/Worst Leader exercise (see ["Exceptional Leaders Aren't Well Rounded"](#)).



What especially rang true for participants was our discussion on the abysmal state of performance reviews. We agreed that most performance appraisals are about as fun as being poked in the eye with a sharp stick. Yet just glossing over this profoundly weakness-based approach with word games like "improvement opportunities" or "lesser strengths" don't make the experience any more positive (see ["Changing Forms Doesn't Create Strengths-Based Performance Appraisals"](#)).

A few weeks ago Joe Folkman presented a complimentary (no-charge) webinar on [Seven Ways to Increase Employee Satisfaction Without Giving a Raise](#). He showed Zenger Folkman's research on key leader behaviors that drive engagement. Among these approaches Joe showed the impact of providing development opportunities, a learning environment, powerful communication, and how a leader makes people feel.

Performance management approaches using positive, strengths building methods can be highly energizing. In their white paper [Making Performance Appraisals an Inspiring Event](#), Jack Zenger and Joe Folkman outline these three steps:

1. Focus on Impact and Set the Bar for Improving Strengths
2. Make Goals to Improve and Follow Up
3. Directly and Promptly Address "Fatal Flaws"

They follow these steps with ZF research showing these five keys to helping people improve:

1. Willingness to Take on a Challenge
2. Accepting Feedback
3. Be Honest
4. Be Considerate
5. Innovation

[Click here](#) to download the white paper and read more about these steps and keys.

The main objective of performance discussions is a personal development plan leading to ever higher effectiveness. Highly effective leaders don't poke, prod, and pick at weaknesses. Extraordinary leaders and coaches use strengths-based approaches to build higher performance.

## 8 KEYS TO A MOTIVATING VISION

For years our culture development work has centered around three key questions:

- Where are we going (the vision or picture of our preferred future)?
- What do we believe in (our guiding values or principles)?
- Why do we exist (our reason for being, mission, or purpose)?



In the early years of our culture development work very few organizations had vision, values, mission, and the like. That's drastically different today. Most organizations have "done their vision thing" and developed statements that hang on meeting room walls or sit in the "About Us" sections of their web site.

However, like health and fitness, there's a big difference between good intentions and sustained actions. Far too many vision, values, and mission statements are a waste of paper and pixels. These declarations often "raise the eye roll factor," increase cynicism, and frustrate people with their hypocrisy.

Zenger Folkman has just completed a study on the impact of a meaningful vision on employee engagement. Employees who don't find their company's vision meaningful have engagement scores of just 16%. On the other hand, those employees who find their organization's vision highly meaningful have engagement scores at nearly 70%.

Looking at data from over 50,000 employees Zenger Folkman found eight factors that were key to enervating or energizing their organization's vision. In "[8 Ways to Ensure Your Vision is Valued](#)" Joe Folkman outlines their findings:

- The Vision is Inspiring and Motivating
- Employee Engagement and Satisfaction is High
- The Vision is Communicated through Multiple Channels
- Innovation is used to Create Improvement
- Managers' Words Lead to Action

- Leaders Are Open and Honest
- The Organization is Quick to Respond
- People can See the "Greater Good" the Vision Creates

Peanuts creator, Charles Schultz, once observed "there's a difference between a philosophy and a bumper sticker." Strong leaders transform rhetoric into reality.

## BEWARE THE SELF-ASSESSMENT TRAP

As a senior citizen was driving down a divided highway his car phone rang. When he answered the phone his wife's urgent voice came through the speaker system warning him, "Herman, Herman! It's all over the news that a car's been driving for miles on the expressway going the wrong way. Please be on the lookout for it!"



"One car?" said Herman, "There's dozens of them!"

Self-awareness has long been recognized as key to personal growth and leadership development. Over the past decade research on emotional intelligence, positive psychology, and strengths-based leadership shows that self-awareness is the foundation for self-development. This has led to the development of highly validated tools like the VIA Institute on Character strengths survey or Gallup's StrengthsFinder.

These are useful tools in our ongoing journey to "know thyself." Self-assessments help us clarify our values, find our passions, and follow our inner voice toward what feels like our true character. This brings us closer to living authentically -- the author of our life story.

The outer part of life is also vital to our effectiveness and well-being. It's certainly critical to connecting, influencing, and leading others. Knowing the perceptions of others then becomes key to leadership effectiveness. As the Greek sage and philosopher, Epictetus, observed, "what concerns me is not the way things are, but rather the way people think things are."

In ["The Singular Secret for a Leader's Success: Self-Awareness"](#) Jack Zenger writes, "the most important element of self-awareness, especially for those who lead organizations, is a clear understanding of the impact they are having on the people around them." He goes on to show Zenger Folkman's research that self-perceptions of effectiveness are only half as accurate in predicting leadership results (like employee engagement/retention, customer satisfaction, safety, quality, sales, or profitability) as others' perceptions of our effectiveness.



Some leaders vastly overrate their leadership effectiveness and confuse their self-assessed intentions, values, or inner character with how they're perceived by direct reports, peers, their manager, and others. Other leaders underrate their leadership strengths as seen by others and undervalue or under develop what could really leverage and increase their effectiveness.

A strengths-based 360 assessment avoids the self-assessment trap -- and keeps leaders from dangerously driving against traffic.

Further Reading:

- "[11 Components of a Best in Class 360](#)"
- "[You Are Here: Multiple Feedback Points Locate our Leadership Skills](#)"
- "[360 Feedback Tools Can Help or Hurt Leadership Development](#)"
- "[Warning Signs: How Vulnerable is Your Career?](#)"

## THE NINE BEHAVIORS OF OUTSTANDING PERFORMERS

Do you wonder what would make you really stand out and vividly show you're ready for more responsibility and career growth? Are you uncertain which actions would lead to your highest productivity and personal effectiveness? Or are you and others in your organization unsure what criteria to use in promoting frontline performers into leadership roles?



New Zenger Folkman research provides clear answers to these key questions. The study analyzed data from 50,286 360-degree evaluations of 4,158 individual contributors. They compared those rated as good performers (40th to 70th percentile) to great performers (90th percentile and up). There was a dramatic difference in productivity between good and great performance. Average performers had productivity ratings at the 46th percentile. The best performers' productivity was rated at the 89th percentile!

So what differentiates the good from the great? As outlined in their *Harvard Business Review* blog, "[The Behaviors that Define A-Players](#)", Jack Zenger and Joe Folkman found these nine behaviors -- in rank order -- lead to extraordinary performance:

1. Set stretch goals and adopt high standards for themselves
2. Work collaboratively
3. Volunteer to represent the group
4. Embrace change, rather than resisting it
5. Take initiative

6. Walk the talk
7. Use good judgement
8. Display personal resilience
9. Give honest feedback

The good news is you don't have to be superhuman and great at all of the nine behaviors. As I outlined in "[Exceptional Leaders Aren't Well Rounded](#)", our research shows that developing a few of these areas into towering strengths will elevate effectiveness from good to great.

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For the past 30 years HR.com and Leadership Excellence have identified and recognized the Top 500 leadership organizations in their yearly ranking. At this year's conference Zenger Folkman was honored with being awarded 1st place in the three top categories. The "Global Leadership Excellence" Award was given for Zenger Folkman's flagship leadership development program, [The Extraordinary Leader](#). Zenger Folkman also placed 1st in the category for "Top Partner and Providers" Award. Finally, Jack Zenger received a new award for "Top Leader of the Year," based on his exceptional thought leadership and unparalleled contributions to the training and development industry.

Learn more at [Zenger Folkman Receives Highest Honors at Leadership 500 Excellence Awards](#).

## **BUILDING ON STRENGTHS KEY TO IMPROVING ORGANIZATIONAL HEALTH**

In our culture development keynotes, workshops, and retreats we've been citing research from the largest study of organizational effectiveness ever undertaken. A few years ago McKinsey & Company published their extensive research in *Beyond Performance: How Great Organizations Build Ultimate Competitive Advantage* ([click here](#) for my book summary and review).



The research study identified nine elements that combine to support and sustain high-performing organizations; Leadership, Culture and Climate, Direction, Accountability, Coordination and Control, Capabilities, Motivation, External Orientation, and Innovation and Learning.

A recent article in *McKinsey Quarterly* updated the research. "[The Hidden Value of Organizational Health – and How to Capture It](#)" shows that the payoffs from organizational health are even larger than found in the original research. The authors also report on four combinations or

"recipes" that when companies were strongly aligned on them *"were five times more likely to be healthy and to deliver strong, sustained performance than companies with mixed (or random) recipes."*

The four practices are clustered around Leader Driven, Market Focused, Execution Edge, and Talent and Knowledge Core. Three of these clusters include factors such as career opportunities, inspirational leaders, open and trusting, employee involvement, bottom up innovation, talent development, rewards, and recognition, and personal ownership. These factors are generated by strong leadership and high performance cultures.

In looking at how to increase effectiveness this research strongly correlates with our work on strengths-based leadership in three key areas:

1. "...fix all broken practices (by improving them enough so that a company escapes the bottom quartile)" is very similar to our findings that leaders must address any Fatal Flaws before trying to build strengths.
2. "Trying to exceed the median benchmark on a large number of practices is not effective" parallels our research showing that focusing on improving a number of leadership competencies is much less effective than focusing on one strength at a time and building it to the 90th percentile.
3. Developing strengths "increase the probability of building a healthy organization by a factor of five or ten" is very similar to our research showing that building 3 – 5 strengths will put a leader in the top 10 – 20 percent of all leaders.

The evidence keeps growing; building strengths is the pathway to peak personal, team, and organizational performance.

## **EMPLOYEE ENGAGEMENT REFLECTS LEADERSHIP EFFECTIVENESS**

When our three kids were growing up I was -- sometimes painfully -- reminded of the old parenting adage; "children act like their parents despite all attempts to teach them good manners!" When Chris, Jenn, or Vanessa behaved poorly in public -- if I took a deep look in the mirror -- I could recognize their behavior. It clearly came from ... their mother!



It's often difficult to face up to the role we play in shaping the behavior of others we lead. In the workplace it's easier to the blame the team member, organizational culture, declining work ethic, societal, or other factors. Those out-of-the-leader's control issues do influence behavior.

Employee engagement has become a huge problem. Disengaged employees lessen customer service levels, have many more sick days, quit and leave, quit and stay, diminish quality and innovation, shrink productivity, weaken teamwork, and infect others with negativity.

Organizations looking to increase employee engagement will often examine pay and benefits, enhance working conditions, upgrade facilities or equipment, implement flexible schedules, provide childcare, focus on work/life balance, or offer training and development opportunities.

Google is an example of a company providing these and many more benefits to attract, engage, and retain their top talent.

A recent *Harvard Business Review* article reported on how "Google's Project Oxygen" reduced turnover and increased retention. *"The data also showed a tight connection between managers' quality and workers' happiness: Employees with high-scoring bosses consistently reported greater satisfaction in multiple areas, including innovation, work-life balance, and career development."*

In his latest *Forbes* column, ["70% of Workers Aren't Engaged -- What About the Managers?"](#), Joe Folkman points out that we need to place the blame where it belongs. *"Workers follow the lead from the person above them. Effective leaders produce engaged employees."* Joe's column features a chart showing a sharp rise in engagement as leadership effectiveness increases.

On April 23, Joe Folkman presented a webinar on [Seven Ways to Increase Employee Satisfaction Without Giving a Raise](#), showing Zenger Folkman's research on key leader behaviors that drive engagement. [Click here to view the webinar](#).

Leaders often blame generational differences, unions, organizational rules and policies, waning work ethic, society/organizational culture, pay and benefits, and the like. But decades of engagement studies point to what we might call a leader's adage; "employees act like their leader despite organizational attempts to engage them."

## **WEBINAR: 7 WAYS TO INCREASE EMPLOYEE SATISFACTION WITHOUT GIVING A RAISE**

As baseball great Yogi Berra (known for his "Yogiisms") or Canada's bombastic hockey commenter, Don Cherry, might have said "it ain't rocket surgery." Dissatisfied frontline servers don't produce satisfied customers. Disengaged employees don't provide the discretionary effort leading to peak performance.

Discontented team members don't create inspired and energized teams.





In a thriving and highly mobile economy dissatisfied employees will often quit and get another job. In today's economy job opportunities are scarce and fewer employees quit and leave. What's even worse is they "quit" -- and stay. Or older employees waiting for their pensions to mature or hoping for a severance package slip into "on the job retirement."

Overall job satisfaction is on a steep decline. Many people feel trapped in their current jobs and increasingly feel like going to work is checking into "day prison."

However, not all organizations are experiencing these dismal results. A recent assessment of employee satisfaction by Zenger Folkman's Clients showed a significant improvement over past years, though this company was not immune to the effects of the recession.

ZF has looked deeper at this issue and found very consistent themes over multiple datasets from 94,000 employees in multiple companies. Joe Folkman and his research team factor analyzed the top dimensions to identify seven factors that created a positive increase in employee satisfaction even during the economy's poorest times.

Last month Joe delivered a webinar on ZF's findings. [Click here](#) to access this complimentary archived webinar.

## **JACK ZENGER AND JOE FOLKMAN NAMED THOUGHT LEADERS OF THE YEAR**

It's been two years since Jack Zenger and I explored partnering once again (our previous companies, Zenger Miller and The Achieve Group worked together in the 80s). Since forming The CLEMMER Group in 1994 we've been approached by many consulting and training organizations to work together. We've always chosen to do our own thing and develop our own programs and services. In [A New Era Begins: Our Strategic Partnership with Zenger Folkman](#) I gave five key reasons for this change in direction; 1. Jack Zenger, 2. Strengths-Based Leadership Development, 3. Research/Evidence-Based Leadership Development, 4. Coaching and Inspiring Skills/Philosophies, and 5. A Powerful Fit with our Culture/Leadership Development.



Nearly two years of working with Jack, Joe Folkman, and the ZF team and implementing ZF's programs and services with our Clients has exceeded our high expectations. Their strengths-based leadership development approaches are on the leading edge of a big -- and long

overdue -- shift in our field. Major and leading companies such as General Mills, Gap, Wells Fargo, Yale University, Deloitte, Marriott, Blue Cross/Blue Shield, Viacom, Thomson Reuters, and many others have adapted and often customized [The Extraordinary Leader](#) and [The Extraordinary Coach](#) as the foundation of their leadership and culture development work.

Now on the heels of Training Industry.com placing Zenger Folkman in their Top Training Companies, ISA -- The Association of Learning Providers, has just given Jack Zenger and Joe Folkman their 2014 Thought Leader Award. ISA's awards committee explained the unique partnership of these two leaders: "Initially, Jack and Joe developed an unexpected partnership. Jack has spent more than 50 years working in human resources for some of the largest companies in the world. Joe is a statistically inclined organizational psychologist who has focused his career on building statistical models that interpret human behavior. Together, they developed a training and development company that was grounded in data and backed by practical ideas. While the partnership wasn't immediately obvious, it has proven to be successful with many worldwide companies."

This is a peer group award from the top organizations in the training and development industry. [Click here](#) to read more about this prestigious award.

Visit our [Zenger Folkman Featured Resources](#) for a selection of case studies, white papers, and recent webinars showcasing ZF's thought leadership and cutting edge development approaches. Click on [Join Us at the Extraordinary Leadership Summit](#) for an exciting and rare chance to join me, [Brad Smith](#), Jack, Joe, the ZF team, and leading ZF practitioners and Clients in Park City, Utah this July.

## **THOUGHTS THAT MAKE YOU GO HMMM ON... MINDFULNESS IN THE AGE OF COMPLEXITY**

Ellen Jane Langer is a professor of psychology at Harvard University. Over the past 35 years she's written eleven books and more than two hundred research articles on mindfulness, illusion of control, decision making, and aging. Her landmark book, *Counterclockwise: Mindful Health and the Power of Possibility* ([click here to read my summary/review of it](#)), reported on her experiments proving elderly men could improve their health by acting as if it were 20 years earlier.



These quotes are drawn from the March 2014 *Harvard Business Review* interview, "Mindfulness in the Age of Complexity:"

*Mindfulness is the process of actively noticing new things. When you do that, it puts you in the present. It makes you more sensitive to context and perspective. It's the essence of engagement.*

*Mindfulness helps you realize that there are no positive or negative outcomes. There's A, B, C, D, and more, each with its challenges and opportunities.*

*Stress is not a function of events; it's a function of the view you take of events. You think a particular thing is going to happen and that when it does, it's going to be awful. But prediction is an illusion. We can't know what's going to happen.*

*I tell leaders they should make not knowing OK -- I don't know, you don't know, nobody knows -- rather than acting like they know, so everyone else pretends they know, which leads to all sorts of discomfort and anxiety.*

*I think chaos is a perception. People say that there's too much information, and I would say that there's no more information now than there was before. The difference is that people believe they have to know it -- that the more information they have, the better the product is going to be and the more money the company is going to make. I don't think it depends as much on the amount of information someone has as on the way it's taken in. And that needs to be mindful.*

*Life consists only of moments, nothing more than that. So if you make the moment matter, it all matters. You can be mindful, you can be mindless. You can win, you can lose. The worst case is to be mindless and lose. So when you're doing anything, be mindful, notice new things, make it meaningful to you, and you'll prosper.*

## **TWEET READING: RECOMMENDED ONLINE RESOURCES**

This section summarizes last month's LinkedIn Updates and Twitter Tweets about online articles or blog posts that I've flagged as worth reading. These are usually posted on weekends when I am doing much of my reading for research, learning, or leisure.



My original tweet commenting on the article precedes each title and descriptor from the original source:

Yet more evidence on the power of feedback as a driver of increased leadership effectiveness.

["Are People Changeable, Or Are They Cast In Cement?"](#)

-- Jack Zenger

<http://www.forbes.com>

*"If you have been a leader in the camp that believes that people can't change, we invite you to rethink your assumptions. There's good evidence that people can make dramatic changes in their behavior."*

Identifying the critical behaviors, honoring the existing culture, focusing on informal leaders, and building emotional connections certainly are key.

["The Critical Few: Components of a Truly Effective Culture"](#)

-- Jon Katzenbach, Rutger von Post, and James Thomas

<http://www.strategy-business.com>

*"Leaders fail to appreciate how deeply culture can be ingrained in people's beliefs and habits -- and, therefore, how very difficult it will be to change behavior in a way that will last."*

More evidence for the huge power of a leader's emotional impact in enervating or energizing teams/organizations.

["Mood And Engagement Are Contagious"](#)

-- Joe Folkman  
<http://www.forbes.com>

*"Leaders need to be aware that every interaction can make a difference, every meeting can be inspiring, and every discussion can create a stronger commitment. When leaders understand this, they start to take advantage of every interaction."*

The checklist at the end of this article ("Ways to Win Amid Complexity") is an excellent summary of the keys to building a peak performance culture.

["Conversations with Leaders About Thriving amid Uncertainty"](#)

-- Christian Orglmeister, Grant Freeland, and Roselinde Torres

<https://www.bcgperspectives.com>

*"What specifically can leaders do to take advantage of these complex times? The following checklist summarizes actions that the leaders we interviewed are taking to win."*

## READ THE LEADER LETTER IN TWICE WEEKLY INSTALLMENTS

The items in each month's issue of *The Leader Letter* are first published in my twice weekly [blog](#) during the previous month.



If you read each blog post (or issue of *The Leader Letter*) as it's published over twelve months you'll have read the equivalent of one of my books. And you'll pick up a few practical leadership tips that help you use time more strategically and tame your E-Beast!

## FEEDBACK AND FOLLOW-UP

I am always delighted to hear from readers of *The Leader Letter* with feedback, reflections, suggestions, or differing points of view. Nobody is ever identified in *The Leader Letter* without their permission. I am also happy to explore customized, in-house adaptations of any of my material for your team or organization. Drop me an e-mail at [jim.clemmer@clemmergroup.com](mailto:jim.clemmer@clemmergroup.com) or connect with me on [LinkedIn](#), [Twitter](#), [FaceBook](#), or my [blog](#)!

May the Force (of strengths) be with you!

Jim



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