



BRINGING OUT THE BEST IN PEOPLE

By Aubrey C. Daniels

PART 1: THE PERILS OF TRADITIONAL MANAGEMENT

1: FADS, FANTASIES, AND FIXES

- General
 - By work environment, I refer not only to the physical workplace but also primarily to the rules, regulations, rules of conduct, and the behaviors of supervisors, managers, and executives. Also important are processes, work systems, and the hierarchy of management. All these factors combine to have a tremendous impact on the performance of employees.
 - The point of this example is that if we learn from the environment, it should be the first place we look for answers to employee motivation. Often it is the last place, if it is considered at all.
- From “my own style” to a precise procedure
 - What company can possibly succeed over the long term if hundreds of its managers have their own individual management styles? How do you know that each manager’s style is going to support the company’s values and mission? What chance does such an approach have to bring out the best in the workforce? Imagine a company with hundreds of different management styles.
 - The only outcome of that situation is an environment full of rules and regulations whereby executives try to manage the problems created. Imagine a doctor saying, “I’ve developed my own operational style. I’m going to operate on your brain a little differently than other surgeons would. No need to worry. I’m very comfortable with my style of operating, and I’ve had a couple of good successes.”
- MOMS vs. Precision Management
 - MOMS (“My own management style”)
 - Must have a precision approach, can’t have everyone managing their own way.
- Business is behavior.
 - Must understand human behavior to manage people.
- Behavior is a function of its consequences.
 - A behavior analyst, however, would respond, “A person does that because of what happens to that person when he or she does it.” That is, the cause



of the behavior lies not in the conditions prior to the behavior but in what happens immediately after the behavior.

- A most practical approach
 - The best way to run an organization is also the best way to treat people.

2: MANAGEMENT BY COMMON SENSE IS NOT MANAGEMENT AT ALL

- General
 - Common sense: the unreflective opinions of ordinary people.
 - Can organizations survive on management strategies based on the unreflective opinions of its leaders? No! Unreflective opinions are based on unanalyzed experience. One of my favorite Benjamin Franklin quotes is: "Experience keeps a dear school, and fools will learn in no other."
- **Common sense versus scientific knowledge**
 - #1: Commonsense knowledge is acquired in ordinary business and living, while scientific knowledge must be pursued deliberately and systematically.
 - No special effort is required to obtain common sense. As a matter of fact, you can't stop it. It occurs just from the fact that we are alive. No wonder it's so plentiful. However, scientific knowledge requires a special effort to acquire.
 - #2: Commonsense knowledge is individual; scientific knowledge is universal.
 - The biggest problem with so-called common sense is that it is not really common at all. It's drawn from personal experience and, as such, is as different as our lives. When someone asks, "Why didn't you use your common sense?"
 - #3: Commonsense knowledge accepts the obvious; scientific knowledge questions the obvious.
 - #4: Commonsense knowledge is vague; scientific knowledge is precise.
 - #5: Common sense cannot be counted on to produce consistent results; application of scientific knowledge yields the same results every time.
 - #6: Common sense is gained through uncontrolled experience; scientific knowledge is gained through controlled experiment.
- Thomas Edison required his laboratory technicians to keep a detailed record of everything they did when conducting an experiment so that they could repeat it and others in the lab could do it as well. If employees keep good records, they are often able to learn from their failures as well as their successes. The popularity of a management approach guarantees nothing.
- If it ain't broke, find out why.
 - The point is, it's not enough to know that something works. It is vitally important to know why it works. For example, if your company is



performing well and you think it's because you have an annual profit-sharing plan, you may be in for a surprise when suddenly you lose a big customer because of poor customer service. What happened? Did the profit-sharing plan quit working, or could it be that it never had anything to do with performance in the first place? The following story illustrates the pitfalls of "popular solutions."

- The guru
 - Keeps giving solutions, but never understands the problem.
- There are more wrong answers than right ones.
 - Must find out what the true problem is.

3: LOUDER, LONGER, MEANER

- General
 - In most organizations, we attempt to manage performance by telling people what to do. We tell them to work harder; we tell them to work better; we tell them to work smarter.
- Surprise! People don't do what you tell them to do.
- Why telling alone does not bring out the best in people.
 - There are two ways to change behavior. Do something before the behavior occurs or do something after the behavior occurs.
 - In the science of behavior analysis, the technical word for what comes before a behavior is antecedent.
 - The word for what comes after a behavior is consequence.
 - Antecedents set the occasion for a behavior to occur, and consequences alter the probability that the behavior will occur again.
 - If you are to create an organization that consistently brings out the best in people, it is critical that you understand the specific role each of these elements plays in generating performance. Because antecedents always come before the behavior of interest, I refer to them as setting events.
 - In other words, an antecedent sets the stage for a behavior to occur; it does not cause the behavior to occur.
 - Seeing a stop sign at the corner does not cause drivers to take action to stop the car because many people who see the sign do not stop.
 - Consequences follow the behavior and alter the probability that the behavior will recur. That is, the consequence causes the behavior to occur more or less often in the future.
 - While this sounds elementary, it is frequently violated in managing organizational performance.
 - Antecedents have limited control over behavior. An effective antecedent gets a behavior to occur once. It is the role of a consequence to get it to occur again.



- Business success depends on getting lasting, consistent performance.
- Yet, as I've just described, business invests heavily in antecedent activity such as memos, training, policies, mission statements, slogans, posters, and buttons.
- Because antecedents get the behavior to occur once or a few times, it's apparent why businesses must continually repeat their messages. The antecedents are working, just as antecedents always do.
- Effective antecedents are necessary to initiate performance but are not sufficient to sustain performance.
- Because of their preoccupation with various antecedent events, businesses waste an enormous amount of time and money in very inefficient and costly activities.
- A place for antecedents
 - Marketing...it works. Send 1000 emails, 8 respond and it could work.
 - But at work, if we ask 1000 people to do something and only 8 do it, that won't work.
 - The world of business has always been fascinated by novel antecedents. .
 - No matter how attractive or frightening an antecedent is, it will have a long-lasting effect only if it is consistently paired with a consequence that is meaningful to the person involved.
 - Antecedents Get Us Going—Consequences Keep Us Going.

PART II: THE ASTONISHING POWER OF POSITIVE REINFORCEMENT

4: BEHAVIOR IS A FUNCTION OF ITS CONSEQUENCES

- General
 - People do what they do because of what happens to them when they do it.
 - Consequences change the rate or frequency of a behavior. They cause a behavior to occur either more or less often in the future. There are only four behavioral consequences.
 - Two increase behavior and two decrease it.
 - The two that increase behavior are called:
 - positive reinforcement and
 - negative reinforcement.
 - The two that decrease behavior are called:
 - punishment and
 - penalty



- Every consequence every day
 - In everyday affairs, all four of the behavioral consequences are at work. It is practically impossible to live a day without experiencing all of them.
- Increasing performance via reinforcement
 - Negative reinforcement generates enough behavior to escape or avoid punishment. The improvement is usually described as “doing just enough to get by.” Positive reinforcement generates more behavior than is minimally required. We call this discretionary effort, and its presence in the workplace is the only way an organization can maximize performance.
- Consequences that decrease performance
 - Whatever decreases performance, punishment, or penalty, is a consequence is negative.
 - A manager can mean well, by patting someone on the back, but if the person doesn’t respect that manager, it can be negative for performance.
 - Intention does not determine effect.
- Doing nothing is doing something to performance.
 - Extinction is when there is no positive reinforcement. The performer does something and nothing happens.
 - The most common sign of this... “nobody appreciates anything I do around here.”
 - Management changes behavior by its action and inaction
- A change of focus
 - Bringing out the best in people requires that all performers get the right consequences every day.
- The more immediate, the better
 - Impact erosion means that the shelf life of consequences is limited. The more immediate the consequence, the more effective it is in changing behavior.
- Reinforcers are more effective than rewards.
 - A reward is usually in the future.
 - The consequences that cause people to do their best every day occur every day.
 - Bonuses, profit sharing...are good, but don’t bring out the best every day.
 - Only effective and frequent positive reinforcement can do that.
- Management myth: People resist change.
 - The fact is that people don’t resist change if the change provides immediate and positive consequences for them.
 - To make change a positive experience, we need to be less concerned with managing the change and much more attentive to the consequences associated with change.



- Everybody's behavior makes sense to them.
 - People are tuned into their own rewards and consequences, regardless of whether they line up with the company's.
- No fault performance: Change not blame
 - The role of leaders in every organization is not to find fault or place blame but to analyze why people are behaving as they are and modify the consequences to promote the behavior they need.

5: THE ABCs OF PERFORMANCE MANAGEMENT

- A way of seeing things as others see them.
 - Must first understand why people are behaving the way they are.
 - What antecedents are setting the stage?
 - What consequences are encouraging the behavior?
 - A: Antecedent
 - B: Behavior
 - C: Consequence
 - Positive or negative?
 - Immediate or future?
 - Certain or uncertain?
 - Concept: Imagine you threatened bodily harm to the person if they did not perform the behavior.
 - If they still don't do it under these conditions...it is a training problem.
 - If they do it under these conditions...it is a motivational problem.
 - Most issues are motivational problems.
- Building trust
 - When people say we don't communicate, they are not saying that we don't talk. They are saying that after we talk, nothing happens.
 - Once trust is established, people will give you the benefit of the doubt if you make a mistake. If you are not trusted, they will not believe you even when you tell the truth.

6: THE HIGH PRICE OF NEGATIVE REINFORCEMENT

- General
 - Negative reinforcement is still the dominant management style.
 - Doing things because you "have to" is a sure sign that negative reinforcement is at work.
- Positive or negative reinforcement: What difference does it make?
 - If the results from positive and negative reinforcement were the same, we would pick positive reinforcement. It is just a better way.
 - However, positive reinforcement is much more effective.



- Additionally, positive reinforcement maximizes performance, whereby negative reinforcement gets a level of performance that is just enough to get by.
- How can you know?
 - Under negative reinforcement, deadlines give people permission to wait.
 - Goal attainment gives people permission to stop. They could do better, they could do more, but stop at whatever you forced them to do.
- Five easy clues that indicate that negative reinforcement is present
 - #1: The “J” Curve
 - If performance shows a sharp rise just before the deadline, suspect negative reinforcement.
 - #2: Negative talk
 - So much pressure here...
 - #3: Performance goes flat after reaching the goal.
 - Involve the performers in the development of their own goals.
 - #4: There is no plan for positive reinforcement.
 - Celebrate the achievement of good stuff!
 - #5: You remove the performance requirement, and performance stops.
 - How long do you intend to work? It is only work if you would rather be somewhere else. -George Halas (Legendary coach of the Chicago Bears)
- Is negative reinforcement ever appropriate?
 - It will never bring out the best in employees.
 - Management is no place to hold a grudge.
 - Need to keep developing your people.
- Negative reinforcement and the illusion of control
 - Gives this illusion.
 - It is more likely to provide a positive, immediate, and certain consequence for the user than positive reinforcement.

7: CAPTURING DISCRETIONARY EFFORT THROUGH POSITIVE REINFORCEMENT

- General
 - Discretionary effort is that level of effort people could give if they wanted to but is beyond what is required.
 - It is above and beyond what is expected.
 - In most organizations today, management is happy to get just what is expected.
 - The only way to get to discretionary effort is through positive reinforcement.



- What does positive reinforcement look like?
 - Positive reinforcement is whenever the behavior produces a favorable change in the environment for the performer.
- Kinds of positive reinforcement
 - Natural and created reinforcement
 - Natural: Happens as a natural cause.
 - Created: does not occur automatically, have to make it happen.
 - Social or Tangible
 - Social: doing or saying something to another person. Could even have “trophy value” which means that the trophy would only have value to the person receiving it.
 - Tangible: Something that has value to someone else as well. Should pair all tangible reinforcement should be paired with social reinforcement. Can’t go “here is your damn trophy, now get your butt back to work!”
 - Reinforcing someone is a highly individualistic process.
 - Need to understand what people like or spend time to obtain.
 - Ask, try, observe.
- Grandma’s law
 - “If you eat your vegetables, you can have dessert.”
 - I will do this thing that I don’t want to do, that is good for me, so that I can then do this thing I want to do.
 - Watch how people spend their time when they have a choice.
 - Write down a list of all the things you do, the least enjoyable at the bottom. Then do the list, starting from the bottom, and in theory each task should become more enjoyable.
- Case study
 - This concept works...get to where the company needs to be, get to work on the things that you love with less structure.
- Sources of positive reinforcement
 - #1: Work-related reinforcement
 - Operant Conditioning: Behavior that operates on the environment to produce a desirable effect for the person will be strengthened. When we do things that “work” we will be reinforced by the task itself.
 - #2: Peer related reinforcement
 - Peers are in the best position to deliver positive and immediate reinforcement.
 - Must let people know that is part of their job. Give reinforcement to those around them.
 - #3: Management related reinforcement



8: DECREASING BEHAVIOR. INTENTIONALLY OR OTHERWISE

- General
 - If behaviors are recurring, there must be some reinforcement for them somewhere in the environment.
- Punishment and penalty...stopping behavior
 - Should be used sparingly.
 - Have to be aware when it is unintentional.
 - “Speak up and don’t be afraid...”
 - Then criticize or defend every idea. Makes people fearful of speaking up.
 - Punishment...making them feel stupid or unimportant.
 - Delayed punishment is no more effective than delayed reinforcement.
 - Punishment never solves a problem. Only tells people what not to do.
 - At best, they stop a behavior long enough for you to find a way to reinforce the behavior.
- Extinction...doing nothing changes behavior.
 - Extinction is when behavior occurs with no reinforcement.
 - When well-developed behavior is ignored, it typically results in an increase in that behavior.
 - “We gotta get back to basics...” is an “extinction burst”.
 - It is typically followed by negative emotional behavior.
 - The new behavior needs reinforcement to stick.
 - Bringing out the best in people is not only about getting more of what you want but also about getting less of what you don’t want.

9: EFFECTIVE DELIVERY OF REINFORCEMENT

- General
 - If people are not told they are appreciated, they will assume the opposite.
 - It doesn’t happen all the time because negative reinforcement sometimes gets immediate results. So you have to give positive reinforcement with the effort in many cases, before the results are there.
- Common mistakes in the delivery of positive reinforcement
 - Make it tailored to the individual.
 - What does this person value?
 - Must be contingent on desired behavior.
 - The more it is linked directly to behavior, the better chance you have to reinforce it.
 - Must be immediately after the behavior or closely linked to it.
 - Must be consistent and frequent.
- The 4:1 Rule
 - How many “atta boys” does it take to erase one “you screwed up!”
 - It is approximately 4 to 1.



- The ratio can be higher, but not lower.
- Competition for positive reinforcement
 - When there is too little positive reinforcement to go around, people will compete with each other to get it.
 - This can hurt teamwork.
 - Author is not a fan of internal competition. Focus on outperforming the competition, not their teammates.
 - Employee of the Month and other programs violate rules of positive reinforcement.
 - Give positive reinforcement without any “but...”
 - Sandwiching criticism is not a good idea. Do not pair positive reinforcement with punishment.
 - If the person on the other side of the positive reinforcement doesn’t respect or like you, giving them positive reinforcement will not work.

PART III: THE SCIENTIFIC APPROACH TO LEADERSHIP

10: PINPOINTING

- If it is working, find out why.
 - So many places... “I don’t care how you get results, just get results!”
 - Not good enough.
 - Know why it works.
- Beware of the activity trap. Pinpoint results first
 - Always start with the results that you want.
 - Then identify the behaviors necessary to produce those results.
- Pinpoints are not inside the person.
 - Pinpoint what behavior you want to change.
 - Don’t say “bad attitude” but figure out what specifically it is that gives them a bad attitude.
 - Labels don’t provide answers.
 - Focus on what they need to do, not what they need to stop doing.
- If it doesn’t move, it is a result.
 - If you can leave it behind when you leave the office, it is a result.
 - Tougher to pinpoint behavior than results. Behavior may be driven by emotions, thoughts, and other things that you cannot see.
 - Can you measure it? If it is important, it can be measured.
 - Is it reliable? Can two people look at it and come with the same interpretation?
 - Don’t confuse behaviors with results.



- Control of the pinpoint
 - Are the behaviors and results under the person's control?
 - Find the results that are as close to possible to the behaviors that produce them.
 - Do they have more control over that pinpoint than anyone else?

11: THE EFFECTIVE USE OF MEASUREMENT

- General
 - Use it to improve performance, not to find problem employees.
- Myth: What gets measured gets done
 - Comments like "you can't measure what I do" is not an attempt to avoid measurement, it is an attempt to avoid punishment.
 - If people are fighting measurement...
 - #1: Increase frequency of positive reinforcement of desirable behaviors.
 - Pair reinforcement with existing measures
- How to measure
 - Two basic ways:
 - #1: Counting
 - Better.
 - More objective.
 - #2: Judging
 - Subjective
 - If counting is not possible, it is a way to help people improve.
 - When we can count, we should count.
 - Use raw data, not cooked data.
 - Raw numbers, not percentages if you can.
 - If you have to judge, establish specific criteria that you are going to judge.
 - Should allow two or more people to reach the same score or conclusion.
 - Rate, not rank
 - Do not use when it sets one employee against the other.
 - Use a rating system...multiple people can win.
- Validating behavioral measures
 - What is a win?
 - Checklist of what should be done.
- Measurement helps you see small changes.
 - This client complains "all the time..."
 - It cannot be "all the time."
 - Track it. Then improve it.



12: PERFORMANCE FEEDBACK

- General
 - Feedback is information about performance that allows an individual to adjust their performance.
 - Without feedback, there is no learning.
 - Learning requires specific information about how your behavior is affecting the environment.
- Feedback is an antecedent.
 - Feedback doesn't always improve performance.
 - The quicker the feedback, the better.
 - Ask yourself, what is the shortest practical interval for feedback regarding this behavior?
 - Get data for the individual if possible. Want to have them feel control over the outcome.
- Performer controlled feedback
 - They must have control of the variables you are giving feedback on.

13: A MODEL FOR PROBLEM SOLVING

- The Model
 - Original model
 - Pinpoint
 - Record
 - Consequence
 - Evaluate
 - Modified
 - Pinpoint
 - Measure
 - Feedback
 - Reinforce
 - Evaluate
 - This model works on all performance problems.
- Implementing the model
 - Track the improvements.
 - Flag the baseline, intervention, post intervention.

PART IV: TURNING GOOD INTENTIONS INTO HIGH PERFORMANCE

14: GOAL SETTING TO SHAPE BEHAVIOR

- General
 - Few things consume more management time than goal setting.



- The issue with SMART goals is that there are no consequences in the model.
- Understanding the true nature of goals
 - Goals are antecedents for either reinforcement or punishment.
 - If goals are set and there are no consequences for success or failure, they will not work.
 - Goals can be good, if done the right way.
 - The purpose is to increase the opportunities for positive reinforcement. If this is the purpose, we should want many, not few goals.
 - Want a high probability of success because you want these to prompt positive reinforcement!
 - Asking everyone to improve 10% is too hard for low performers and too easy for top performers.
 - The fastest way to change individual behavior is to set small goals, reinforce effort, and celebrate attainment.
- Shaping: The fastest way to change
 - Shaping is the process of positively reinforcing successive approximations (small) toward the goal.
 - The final outcome must be important to you and the company and there must be positive reinforcement for very small increments of change.
- Organizational goals and benchmarking
 - Benchmarking is not that helpful.
 - Set goals based on current performance and celebrate progress!

15: THE FOUR R'S OF EFFECTIVE MANAGEMENT

- There are cheaper ways to make people unhappy.
 - Few organizations like their reward and recognition systems.
 - The four Rs
 - Recognition
 - Reward
 - Reinforcement
 - Relationships
 - The problem with rewards and recognition?
 - Too far after the behavior occurs.
- Employee of the month
 - Get rid of them.
 - Not clear on how to obtain.
 - There is often a delay in the reward.
 - Competition error
 - Contingency error...can't give the same reward to the same person month after month.



- Create a bigger winner's circle.
 - The goal for the company is to have everyone win.
 - The best recognition program:
 - #1: Allows for unlimited winners.
 - #2: Clarity on what must be done to earn the recognition or reward.
 - #3: The manager's success is tied to employees' success.
- Contests
 - Tips
 - Use small, tangible items as prizes, and focus on bragging rights as the main reward.
 - Next, make the contest short, usually not longer than a quarter. Year-long contests put all the consequences too far from the behavior, and even the highest performers will tend to get weary by the end of the year.
 - Most of all make the contest fun! When there are only a few large, tangible prizes, it takes out the fun for most people.
 - Finally, make sure that everyone can win. Set equivalent criteria to be reached for all teams or individuals. Do not set a limit on the number of winners, and you will discover that you may have more winners than you ever dreamed.
- Embarrassment Awards
 - Awards that embarrass (winners eat steak, losers eat hotdogs, etc.) are risky.
 - Public humiliation is high on most people's list of fears. It can generate a lot of bad actions and feelings.
 - Give poor performers positive reinforcement for improvement.
- Suggestion systems
 - Any company that has a formal suggestion system will never have full engagement of employees in the work of the organization.
 - Not a good idea.
 - Large cash awards to individuals often generate hard feelings among co-workers.
 - Ideas have value only when implemented successfully.
 - How many ideas submitted? How many per employee? How many successfully submitted?
 - In Japan, they get this process to work. But believe in the concept "many raindrops make an ocean" or "Kaizen" which is constant improvement. Doesn't have to be a huge idea to implement. Just has to bring joy and gladness to the workplace.
- Group incentives
 - Can work for hourly paid employees but may be more than offset by the negative impact on top performers.



- Annual bonus plans
 - The end of the year bonus has little impact on performance.
 - People will choose small immediate rewards over larger delayed ones.
 - I have concluded from the available research that:
 - (1) if a bonus is uncertain (meaning that there may not be funds to pay it), it has minimal effect on day-to-day performance;
 - (2) if a bonus is certain (meaning the money will be paid if performance merits it), it has to be quite large to have substantial effect on performance; and
 - (3) when the bonus is delayed and uncertain, the bonus is no more effective than any other form of delayed compensation.
- Gain sharing
 - Although there are many forms of gain sharing, practically all have problems with delay, uncertainty, and control. In most of the plans, there is a formula to determine the amount to be shared and a formula to determine the distribution to employees. The gain-sharing pool is usually determined by a formula that calculates the gains as a function of cost reduction or productivity improvements. The distribution to employees is typically based on pay, length of service, or some other nonperformance variable. The concept of gainsharing is good, but the method of distributing the gains is usually far from ideal. The methods of determining the amount of money to be distributed are fiscally sound. The problem is with the way the individuals earn their share.
 - Should be awarded by individual contributions, not by team membership.
- Too little, too few, too late
 - The requirements of positive reinforcement are:
 - (1) that the consequence must be valued by the person receiving it,
 - (2) it must be contingent on performance,
 - (3) there must be some way for employees to track the gains, at least monthly, and
 - (4) it must be delivered frequently (more than annually).
- Making rewards and recognition effective
 - #1: Positive reinforcement has to be a daily affair.
 - #2: The reward and recognition must be earned.
 - #3: The recognition must have personal value.
 - #4: The delay between the behavior and the reward and recognition must be bridged.
 - #5: The presentation of the incentive should be preceded by a celebration.
 - #6: Money is not the best incentive.
- Relationships make it happen.
 - If people don't like you, practically nothing you do will be received well. You can brag on them, give them money and merchandise, and it will do



little to change their opinion. To make reinforcement, reward, and recognition effective, you must first develop good relationships with people. Although some companies still have some onerous supervisors and managers, they are a vanishing breed. It is risky business today for companies to promote supervisors and managers on the basis of technical and professional skills while minimizing or excusing their weaknesses in social skills. Years ago, I constructed a short survey to measure the extent that managers were using positive reinforcement as a management practice. The question that accounted for the most variance was, "Do you like your supervisor?" If workers didn't like their supervisors, nothing the supervisor did in a formal way had the intended or desired effect. If they liked the supervisor, the employees would overlook some of his or her shortcomings. How do you establish good relationships? Most people don't need to be told how to do this. As Dale Carnegie said, "Liking someone is the other side of having them like you." By this point in the book, I don't need to go into detail about how you can accomplish this, but I will say that the first order of business is to establish yourself as a positive reinforcer by taking an interest in what is important to your boss, colleagues, and other employees. Try to establish your presence as an antecedent for good things. Rather than saying something can't be done, say something like, "I will start working on it right away." Not that you will ignore poor performance, or even poor habits, but that the most interactions are positive. Remember that just being positive will not make you a good manager because if you are positive at the wrong time, in the wrong way, or at the wrong frequency, you will surely be ineffective in your relationships. However, you surely can't be the most effective manager if you are not a positively reinforcing person.

16: COMPENSATION AND PERFORMANCE APPRAISAL

- Compensation as a reward
 - Regular compensation cannot maximize performance, but it can help or hinder.
 - For the employee, it all comes down to "how much money do I get and how can I get more?"
- Compensation is a positive, future and certain (PFC)
 - Regular paydays don't influence daily behavior.
 - Remember from previous chapters that people should not be rewarded or punished for results that are out of their control. When profits are available and are shared, employees like it; when profits are too small to share, employees are disappointed. In either case, the reward is too far removed from employee behavior to influence performers to do anything



different. While people like bonuses, that doesn't consistently translate into better performance.

- Pay and contingency
 - The main problem with compensation plans is the lack of performance contingencies.
- Pay as a form of competition
 - Tough, because there are limited resources. Increase in one person's pay can mean there is less for others.
- Noncontingent benefits
 - Benefit plans will not increase motivation and performance.
 - Good for recruiting.
- Performance appraisal
 - Over the years, my consultants and I have seen the performance-appraisal programs of hundreds of companies. And I have finally come to this conclusion: apart from documentation for legal purposes, the annual performance appraisal is a waste of time.
- Pinpointing results: The performance matrix
 - The first thing to do to improve the effectiveness of compensation and appraisal systems is to pinpoint the results and behaviors needed from every job. If you recall, this is the first step in performance management. By having specific results and behaviors for which you are accountable, it is easy to see how you as the performer are doing each day. The best job you will ever have is one where you know how you performed at the end of every day.
 - By planning how much you need to do each day, you have a performance appraisal that can be done every day. It is certainly not practical for management to measure performance every day, even if measures are available. However, if performance can be monitored by the performer, it is possible to get the benefits of daily measurement without the high cost of management time. At Morningside Academy, every student gets a report card every day! It has to be a large factor in the high rate of learning at the school. Not only does the student see what he or she accomplished and what needs more work, but the teacher is also able to see what the student accomplished relative to what was planned. It doesn't hurt that the parents also know. An ideal format for this is the performance matrix. The performance matrix allows us to measure every job, from the boardroom to the shop floor. The matrix is ideal because it is totally flexible and makes it possible to customize it for every person and change it as business or job responsibilities change. If someone is on a production job one month and is changed to a creative job the next month, performance can be exemplary in both jobs. The performance matrix lets



you measure how well the performer is doing against expectations regardless of job.

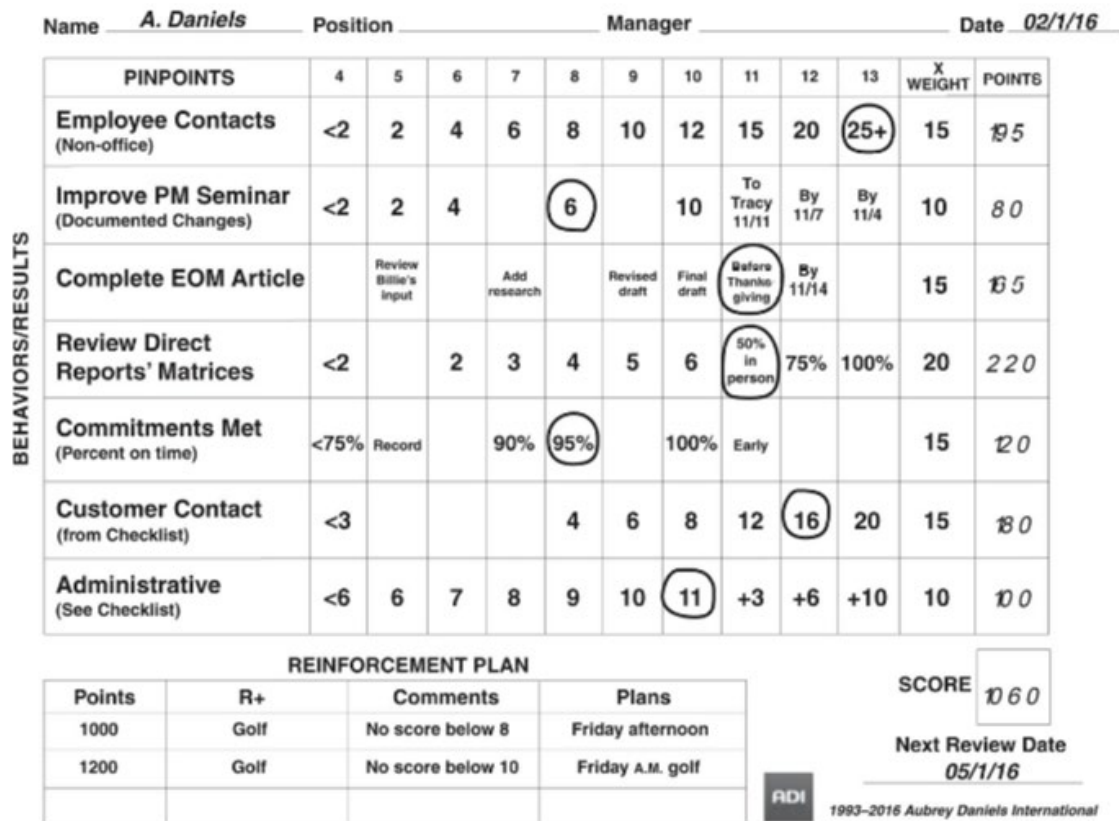


Figure 16-3 Performance matrix.

- With this type of system, you have a foundation for both appraisal and compensation systems. This matrix system allows you to accurately tie future pay and other recognition and rewards to day-to-day performance.
- You can also use this matrix to improve the distribution of a profit-sharing plan.
- Equity in rewards is the responsibility of the supervisor and should be an item on the supervisor's matrix. The supervisor and his or her boss should discuss what is involved in the tasks that are on the matrix so that there is perceived as well as real equity. If you get complaints about equity, you should check them out. However, if you reinforce complaining, you will get more of it. For example, if you ask someone to do something, and that person asks, "What am I going to get for it?" you know that you have been reinforcing the wrong behavior. If someone complains about what someone else is getting and you reinforce it, you are teaching people to be



jealous. When one employee complains about what another employee is getting, your first response should be, "Do you want what that person is getting?" It might surprise you that many times the person does not want what the other person has but just wants to complain about it. If you reinforce this kind of behavior, you will create petty jealousies among performers. However, if the employee says, "Yes, I want what he's got," then say, "Good. Let's talk about how you can earn it." In many cases, when the behaviors and performance are pinpointed for the complainer, he decides that he doesn't want the reward at that price. If he still wants it, you have an additional way to reinforce and reward improved performance.

17: EMPLOYEE ENGAGEMENT

- The engagement goal should be to have 100 percent of employees delivering discretionary effort every day (fully engaged). And remember, the only way to accomplish this is through positive reinforcement. You cannot make people give you their best. Discretionary effort is given freely.
- In order to have a more practical and effective solution to the problem of employee engagement (EE), I recommend changing from EE to ER—not emergency room but employee reinforcement. Engagement is about how to get people to willingly do everything in their power to move the organization forward at a rapid pace. There is only one way to do this. It is with positive reinforcement.
- A new general manager of a mine I worked in gathered employees together on his first day and asked what changes were needed to make the mine safer. Although it took a while to get the first item, the suggestions soon began to flow because the general manager had the head of maintenance at the table with him, and when the first item was put forth, the general manager turned to the director of maintenance and asked, "Can you fix that today?" The maintenance manager said, "We can start on it today." "Is there someone you can call and get started before this meeting is over?" the general manager asked. After he did that, the suggestions continued for over an hour. After the meeting, items that could not be fixed that day and those that needed corporate approval were posted on a chart on the general manager's door and updated weekly so that employees could track the status. When employees have a stake in the way things are done, they become fully engaged. If my idea is used, I have an interest in the outcome and will do my best to make it successful. When you ask employees for help, they are eager to help, particularly if they know that their input will be used or at least seriously considered. Engagement is not difficult. Just asking for input can change a person's interest and actions about work.
- If you want to become a more positively reinforcing supervisor or manager tomorrow, you can start by saying the following many times per week: "I have a problem, and I need your help."



- Most employees, when hearing this, will try to help you. They may not always be able to give you the help you need, but you will probably be surprised at how many times they will. In addition, when they can't help, you will have an opportunity to teach them something about the business. Every time your boss asks you to improve some aspect of the business, be it budget, costs, production, quality, or safety, ask your employees for help. "We have to cut the budget. Can you help me?" When you are asked to implement anything, ask your employees for their help before implementing. You will be surprised at how smart they are and how engaged they become in the business.

18: TECHNOLOGY AND BEHAVIOR

- Ironically, technology will present new problems for companies that are not behaviorally sophisticated. Technology typically reduces the natural positive reinforcement in most jobs. The active behaviors in jobs today provide much of the daily reinforcement for employees. Finding a file, corresponding with customers, making calls, and sending emails all have a visible completion that is reinforcing to most employees. When modern machines take over, these tasks will be done without human assistance leaving only monitoring robot activity for the human employee. Because of the high reliability of robots, there will be very few interventions in the job. This will cause all the problems produced by low frequencies of reinforcement—boredom, inattention, high rates of distraction, and extinction of key job behaviors that are still left for humans to do.
- He suggests that in the future, the most successful organizations will not be the ones with the most innovative products or the best marketing campaigns. Rather, the most successful companies will be the ones that can most efficiently train their workforces to assimilate and use vast amounts of ever-changing information. This means that modern organizations must develop a culture where people look forward to change—one where people want to, and can, learn new things and learn them quickly. Humans have the ability to learn new habits quickly but need changes in the way they are taught.
- Inventions that require effort on the part of the user or, to put it technically, have a high response cost will also receive limited success because there are very few people who will go to the trouble to use any invention that requires extra work. Many inventors, not understanding behavior analysis, waste a lot of time and money inventing things and processes that are only novel antecedents and soon fade from the commercial scene. This is so because they don't know the role of consequences in learning, often focusing only on the antecedent side of the behavior change model and misunderstanding the effect of consequences on learning. In fact, many studies show that use of a product is negatively affected by the amount of effort it takes to use that product. If one website requires three clicks of the mouse to purchase a product and another requires only one click, the one-click company will eventually win. Amazon does a very good job of



expediting the purchasing and delivery processes and is highly successful because of it.

19: GETTING SMARTER QUICKER

- Fluency is automatic, non-hesitant responding. If people are fluent in a particular subject, they do not have to think about what they are doing, and they can respond quickly and accurately after long periods of no instruction. They are also able to respond for extended periods with less fatigue and can generalize what they have learned to novel situations. This is what Dr. Johnson calls learning for free. To attain fluency, responding at high rates is required. Because the method deals with measurable, observable behavior, the rates necessary to attain fluency can be determined for any academic subject. For example, certain basic math concepts such as addition, subtraction, multiplication, and division may require a student to be able to do as many as 80 math facts a minute with no errors. Some students can do up to 120 a minute. Although Morningside concentrates on basic skills, it also teaches such subjects as problem solving and fluent thinking skills. Because practice is the hallmark of fluency training, a Morningside classroom hour is divided as follows: 10 minutes of instruction, 40 minutes of practice, and 10 minutes of break. By the way, students have no homework. The average teacher may not be able to relate to this model of classroom instruction because it is so different from the way traditional classroom teaching is done. This model seeks to determine the minimum amount of information that needs to be given to allow the maximum time for active involvement of the student with the material.
- Richard A. Schmidt, in *Motor Learning and Performance*,⁸ says that in most motor learning, about 300 repetitions under the most favorable conditions are required to produce automaticity. He says, "Automatic responding can develop with several hundred trials of practice under the most favorable conditions, but it appears that many more trials than this are needed in less optimal real-world settings."
- As noted earlier, the research of Ericsson, Engelman, and Johnson and Layng suggests that most failures in learning are actually failures in teaching methods, not the result of student motivation and/or ability. This finding has tremendous implications for business, industry, and government. It means that most performance problems are not because the performer is incapable of performing at a high level but are caused by either poor training, lack of a reinforcing environment, or both.

20: PERFORMANCE MANAGEMENT

- General
 - Edward Gibbon, an English historian, said, "The winds and waves are always on the side of the ablest navigator." I interpret this to mean that the



sailor who thoroughly understands the winds and the ocean currents will have few problems sailing a ship in the desired direction. Changing conditions don't present insurmountable obstacles for expert sailors, just additional opportunities for them to exercise their skill. If the winds shift or the tide changes, the expert sailor simply modifies the sails and moves the rudder to adapt to changing conditions.

- To the executive who understands human behavior, changing business conditions don't present problems, just additional opportunities to exercise his or her skill. In my opinion, if the CEO doesn't know the science of human behavior and how to apply it to leadership, he or she will have great difficulty surviving the next 10 years and puts his or her company at financial risk. I'm convinced that as executives understand and implement the principles set forth in this book, they'll make dramatic gains in the performance and profitability of their companies.
- The executive role in performance management
 - It is the responsibility of a company's executives to pinpoint the desired organizational results. Once this is determined, the executives should make sure that the pinpointed results fit the values of the organization. This task should be value driven. Value driven brings up questions like "What are acceptable and unacceptable ways to get results here? Is it results at any cost? If not, what are the limits? How are they determined? What are our guiding principles and values?" Although values are not usually stated in pinpointed terms, it is only by pinpointing them that you can ensure that your organization lives by them. Concepts such as honesty, teamwork, innovativeness, concern for people, customer service, commitment to quality, and so on can and should be defined in behavioral terms. In fact, if you can't define your organization's values in terms of specific behaviors, they will be practically useless in helping you to accomplish your mission. Many executives think this shouldn't be necessary, but in recent times, executives have been imprisoned because their employees thought what they were doing to get results was acceptable.
- Systems and structures
 - Reinforcer and reward selection is ultimately determined by the performers in the company, that is, how they respond to attempts at reinforcing and rewarding behaviors and celebrating results. However, executives should define the limits of the reinforcers and rewards available for managers and supervisors to use.
 - The prime consideration in reinforcer/reward distribution is to make sure that your system is noncompetitive. All systems affecting human performance should be monitored to identify and eliminate contingencies that create internal competition.



- Executives have the overall responsibility for ensuring that performance is managed effectively. This encompasses all corporate performance, including initiatives such as continuous improvement, behavior-based safety, reengineering, and so on.
- Herrnstein's hyperbola...the matching law
 - Remember, the matching law shows that people allocate their behaviors to tasks in proportion to the relative amount of reinforcement available for each task. To put this more simply, behavior follows the relative frequency of reinforcement. If there is little reinforcement for a given task (task A), as in completing paperwork, and much more in talking to a coworker or e-mailing or texting a friend (task B), the employee will leave task A and spend time doing task B. What Dr. Herrnstein's work means for the executive is that every time you introduce a new corporate initiative, you potentially dilute effort on existing initiatives. In other words, when someone spends more time and effort doing something new, that person will have less time to spend on some previous behavior. However, if a new initiative is introduced with no reinforcement, little time will be spent with it because reinforcement will continue to occur for the old ways of doing things.
 - Following is a summary of what Dr. Herrnstein's research discovered:
 - Noncontingent reinforcement typically dilutes job focus and accomplishment.
 - When there's little reinforcement for doing a job, it takes only a little extraneous reinforcement (re) to pull someone off the task.
 - When there's an increase in non-job-related reinforcement, it takes an increase in job-related positive reinforcement to maintain the same level of job-related effort.
 - If you introduce any new program or system without concentrated, planned reinforcement, you will get only minimum participation in that program or system because of the large amount of reinforcement still existing for prior behaviors.
 - Executive behaviors
 - Management by wandering around (MBWA) was popularized in the book *In Search of Excellence* (HarperCollins, 2004) by Thomas J. Peters and Robert H. Waterman, Jr. Although the acronym is not used very much these days, the concept is very relevant to today's management. You can't see many behaviors in an office. The executive must make sure that managers allow supervisors enough time to observe employees at work. The observations are to help employees coach, reinforce, and hear their ideas for improvement and get feedback on how any changes are helping or hindering performance. MBWA is a good thing to do only if you understand



the purpose of being in the place where work is actually taking place. Tom Peters encouraged executives to get out into the work area because he saw this being done in the best companies. Dr. Judy Komaki (1986) would make the same suggestion, but for a different reason. Her research has shown that the best managers spend more time in the work area because it makes for the most effective delivery of positive reinforcement.

- If you're an upper-level manager and you want to do MBWA in the plant or in the office, at least wander around with someone who knows what's happening there. Then ask the supervisor or manager to point out behaviors and/or employees who deserve reinforcement.
- Tough times demand positive reinforcement.
 - The vice president of research and development at a southwestern telecommunications company was in trouble. His department had just missed several important product release dates. This crisis had been caused by faulty product releases prior to his appointment. No matter. This company had recently been acquired by a larger company with similar capabilities, and the president threatened to eliminate the department and turn its work over to the new parent company if it missed another release date. Fortunately, this executive understood that negative reinforcement resulted in only incremental improvements, and incremental improvement would not save the department. He assembled all his managers and supervisors, who were being trained in performance management, and said, "We've lost the luxury of managing by negative reinforcement and punishment. As of Monday morning, I want a plan from each of you detailing how you will use positive reinforcement to get us out of this predicament." Prior to this time, managers in this department had no mandate to use positive reinforcement. Although they were being trained in performance management techniques, and many were beginning to use them, some were not. With this new directive, all the managers began to put performance management to work. Not only did the department not miss any more release dates, but the quality of the releases reached an all-time high.
 - Not only did the department not miss any more release dates, but the quality of the releases reached an all-time high. The department went on to become three times more efficient than the research department in the larger company. While it's true that the vice president's directive had an implied threat, he used it as an antecedent to get behavior that could be positively reinforced. As



his subordinate managers began to implement their plans, he provided them with frequent reinforcement, recognition, and celebrations. Usually, tough times cause managers to get tough, meaning they crumble under pressure and use more punishment and negative reinforcement. It's a rare manager who has the understanding of behavioral concepts and the courage and foresight to use positive methods in the midst of a crisis. Remember that because positive reinforcement increases response, when you are in a jam, you need a fast recovery, and only positive reinforcement can reliably deliver that. For the sake of American business, I hope that leaders like this vice president become more and more the rule and less the exception.