

CREATING AND SUSTAINING WIN-WIN AGREEMENTS

Excellent performance begins with clear expectations, mutual commitment, and the necessary competence.

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Win-win Agreements are effective tools for establishing the win-win foundations necessary for long-term effectiveness.

Win-win Agreements must be individualized to be effective: one person's minutia is another person's mission; what is a win for one person may not be a win for another. Creating and sustaining a win-win agreement is a process of creating clear expectations, mutual commitment and competence around the following:

- Desired results
- Necessary guidelines
- Available resources
- Accountability
- Consequences

Win-win agreements may be simple or complex, spoken or written, short or lengthy—whatever is necessary to create clear expectations and mutual commitment. The clear expectations come from thorough dis-

cussion of each element identified above. Mutual commitment comes from creating a true win-win agreement with both parties committing to fulfill the agreement.

Carefully think through:

- Personal and organizational goals
- The other person's roles and responsibilities
- Others who might be affected by this agreement

Carefully consider your partners':

- Desire
- Ability

guidelines. Agree upon the desired results of both the task to be performed and the relationship to be developed.

- Seek to maximize the overlap between organizational and individual needs and goals.
- Always begin with the end in mind.
- Put first things first—agree on priorities.
- Clearly understand how these results fit into the "larger whole."
- Carefully think through general vs. specific, immediate vs. long-range. If your partner is relatively new to this task and inexperienced, specific, immediate results will help your partner to develop and be successful. Conversely, if your partner is experienced, more general, long-range results might be more appropriate.

Identify indicators to show that the course is on track and deadlines to mark when the results must be achieved.

Win-win agreements focus on results, not on methods.

- Maturity
- Experience

Desired Results (In other words: What are we going to do?)

Win-win agreements focus on results, not on methods. You come to an agreement with your partner on the quantity and quality of the desired results, and perhaps agree on a schedule and an action plan. Sometimes specifying the procedures to be utilized is a crucial result to be agreed upon. Commit to getting these results and let your partner determine the best methods and means within the agreed-upon

Necessary Guidelines (In other words: Within what limits?)

Guidelines represent correct principles, often summarized in the form of standardized procedures. It is best to have as few of these as possible; otherwise the focus may be too restrictive and methods-oriented. Guidelines should also specify what not to do, what activities simply do not work. Guidelines should be agreed to regarding both accomplishing the task and working the relationship.

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<p>eg. church - laws</p>		

- Agree upon necessary policies and procedures.
- Carefully think through broad vs. narrow. An inexperienced partner may need multiple guidelines that "narrow" the options, thereby decreasing risk and deviance. With a more experienced, trusted partner, fewer guidelines will "broaden" the options and allow more flexibility in method, which will then facilitate creativity.
- Clearly identify the "sacred cows"—those policies or systems or norms which (though perhaps not logical) must be left alone.
- Agree upon levels of initiative. Agree upon how much initiative your partner should take in getting desired results. The following five levels help to clarify this concept. Each level represents an increasingly greater degree of initiative.

1. Wait for instructions—At this level, there is no initiative.
2. Ask what to do—Here, the person begins to take initiative by asking and expressing interest and awareness.
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5. Act, then report routinely—At this level, the person acts on his or her own initiative when he or she sees a need. Because of the trust and confidence, periodic reporting will be enough to keep things on track and frequent contact will no longer be needed.

As you and your partner are successful in achieving the desired results, you can empower your rela-

tionships and grow mutual competence by broadening the guidelines and raising the levels of initiative. As you both seek to accomplish the agreed upon results but operate within fewer guidelines and at higher levels of initiative, innovation and creativity are fostered. When partners are encouraged to find "their own best way" to create results, new and better ways can be discovered.

Available Resources (In other words: what do we have to work with?)

Identify the various resources that your partner may draw upon to accomplish the desired results within the specified guidelines. You may want to identify yourself as a resource and indicate ways in which you can help. Identify

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resources available to both accomplish the task and build the relationship.

- Consider the types of resources available:
 - Financial (budgetary)
 - Human
 - Technical
 - Organizational/Systemic
- Agree upon amounts: smaller amounts for someone less experienced, larger amounts for someone with a stronger history.
- Make sure there is a clear understanding of the arrangements and processes that must be used—both official and unofficial.
- Clarify how to access the agreed-upon resources.
- Agree upon limits. Create mutual understanding as to the limits be-

yond which no more resources are to be expended in seeking to achieve the desired results.

Determine Accountability (In other words: how can we tell how we are doing?)

Specify when progress reports are to be made, together with what criteria or standards of performance are the essence of the accountability process. Accountability means that the partner accounts for his or her performance based on the criteria he or she agreed to up front. Accountability is the key to win-win agreements. When people know that they are responsible to get results and to report their performance, they are set free and feel a sense of responsibility to do whatever is necessary to accomplish those results within the agreed-upon guidelines. They may draw upon guidelines and upon the resources identified. They are empowered to exercise their proactivity and are truly responsible. Accountability should be established for achieving desired results in both the task and the relationship.

- Self-control, not external control.
- The accountability process should be a work planning and review tool, not a judgment mechanism.
- Agree upon standards of acceptable performance.
- Where possible, use all three types of evaluation.
 - Measurement (counting).
 - Observation (watching).
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- Be specific in deciding who does what by when.
- Carefully think through frequent vs. infrequent, tight vs. loose. The less experienced your partner is, the more frequent accountability should be and the tighter the cri-

WIN-WIN AGREEMENTS FOSTER EMPOWERMENT

One of the most helpful processes in establishing the critical conditions of effectiveness is the creation of a win-win agreement.

There are five features of a win-win agreement which basically cover what we need to understand before undertaking a job. We clarify the desired results, guidelines within which to work, resources upon which to draw, the means of accountability, and the consequences of on-the-job performance. But we do not deal with methods. Win-win is a human resource principle that recognizes that people are capable of self-direction and self-control and can govern themselves to do whatever is necessary within the guidelines to achieve the desired results.

When more than two individuals are involved in the win-win agreement, the psychological contract becomes a social contract. We may set up the agreement with a team or a department or an entire division. Whatever the size of the group, all of the members should participate in developing the win-win agreement. This social contract then becomes even more powerful, more reinforcing, and more motivating than the psychological contract because it taps into the social nature and human need to belong and be part of a meaningful team project or effort.

One of the strengths of this psychological or social win-win contract is that it is almost infinitely flexible and adaptable to any set of circumstances or to any level of maturity or competence. If the ability or desire to do a job is small, then you would identify fewer and smaller results; perhaps

have more guidelines, including procedures; make resources more available, attractive, and visible; have more frequent accountability with tighter, clearer, more measurable criteria; and have consequences follow immediately, making feedback powerfully reinforcing.

In another situation where there is a great deal of maturity, a great deal of ability and desire to do a job, the win-win agreement would have broader, longer-range desired results with fewer guidelines, particularly regarding pro-

cedures and policy. You might make the resources available but not necessarily visible; have less frequent accountability, using discernment as well as measurement to evaluate performance; and set longer term consequences with particularly heavy emphasis on intrinsic psychological rewards rather than extrinsic rewards.

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Once a win-win agreement is established, people can then supervise themselves in terms of that agreement. Managers may serve as sources of help and establish helpful organizational structures and systems upon which self-directing, self-controlling individuals

Setting Up Helpful Systems

Helpful organizational systems greatly facilitate the fulfillment of win-win agreements. These systems might include strategic planning, company structure, job design, communication, budgeting, compensation, information, recruitment, selection, placement, training, and development. In a helpful system, people receive information about their performance directly, and they use it to make necessary corrections.

If any of the so-called "helpful" systems are really hurtful win-lose systems, they will override the win-win agreement. This is particularly the case with the compensation system. If management talks win-win but rewards win-lose, they defeat their own system. It would be analogous to tell one flower, "Grow! Grow!" and then water another flower.

All of the systems within the organization must be totally integrated with and supportive of the win-win agreement. Win-win should be re-

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flected in recruiting and hiring and training. It should also be evident in professional development, compensation, job design, company structure, strategic planning, and mission and goal selection, as well as in all tactical activities.

Self-Evaluation

In a win-win agreement, people evaluate themselves. Since they have a clear, up-front understanding of what results are expected and what criteria are used to assess their performance, they are in the best position to evaluate themselves.

The old notion is that the manager evaluates the performance of his people, sometimes using a secret set of subjective criteria that he springs on them at the end of a specified work period. This, of course, is absolutely insulting to people, which is why some managers do not have good performance appraisals. Unless expectations are clarified and commitments made up front, people can expect performance appraisals to be difficult, embarrassing, and sometimes downright insulting.

The attitude of leaders should be helpful, not judgmental. The leader is a resource in the win-win agreement. The leader may serve as a trainer when people undertake new tasks or new re-

sponsibilities or as a counselor in the areas of career planning and professional development. The leader involves people in establishing the win-win agreement and allows them to evaluate their own performance. If the trust level is high, the employee's evaluation will be more accurate, more complete, more honest than the leaders' evaluation ever could be, because the person knows all of the conditions and the details.

If the leader becomes aware of changing trends or other conditions which are not part of the original agreement, the leader would reopen the agreement for rethinking, replanning, and reformulating.

Critical Conditions

These conditions are so interrelated that if any one of them is thrown out of balance, it will immediately affect the others. In fact, changing just one character trait can affect all of the other conditions. For instance, consider the character trait of maturity, defined here as "courage balanced with consideration." If a leader had a great deal of courage but lacked consideration, the leader would probably express himself or herself clearly and aggressively but would listen poorly, without true empathy. Consequently, the agreement would be win-lose. The leader

would get his or her way, thinking that his or her way is best for everyone concerned. The leader would likely not encourage or allow the people to express their true feelings. The leader would fail to tap the internal motivation, requiring external motivation or supervision and the use of good control systems and performance appraisal procedures and compensation systems to reinforce desired behavior.

On the other hand, if a person lacks courage but is high on consideration, high in the need for acceptance and popularity, he or she will tend to develop a lose-win psychological contract where people do their own thing. Often these agreements lead to various forms of self-indulgence and organizational chaos. People may begin to blame others for poor performance or bad results. They may also get very demanding. Such behavior only reinforces the lose-win agreement, which eventually cannot be economically sustained and hence leads to win-lose central control as management battles to survive and maintain some semblance of order. Anarchy breeds dictatorship. As Patrick Henry put it, "If we don't govern ourselves wisely, we will be governed by despots." ▲

CAPTURE/EXPAND

CREATING AND SUSTAINING WIN-WIN AGREEMENTS

Excellent performance begins with clear expectations, mutual commitment, and the necessary competence.

Capture (purposes, main points, validations, applications, value)	Expand (evaluation, insights, illustrations)
<ul style="list-style-type: none"> Win-Win Agreements are effective tools for establishing the win-win foundations necessary for long-term effectiveness. 	
<ul style="list-style-type: none"> Win-Win Agreements may be created between individuals, teams, and all stakeholders. 	
<ul style="list-style-type: none"> Win-Win Agreements must be individualized to be effective. 	
<ul style="list-style-type: none"> Creating and sustaining Win-Win Agreements is a process of creating clear expectations, mutual commitment, and competence around: 	
<ul style="list-style-type: none"> -Desired Results 	
<ul style="list-style-type: none"> -Necessary Guidelines 	
<ul style="list-style-type: none"> -Available Resources 	
<ul style="list-style-type: none"> -Accountability 	
<ul style="list-style-type: none"> -Consequences 	

DIAGRAM

MATURITY/PERFORMANCE CONTINUUM

MATURITY

PERFORMANCE

Interdependence

Win-Win Partnership Agreements

Independence

Win-Win Performance Agreements

Performance Mandate

Dependence

Performance Wish

DIAGRAM

USES OF WIN-WIN AGREEMENTS

Agreements:

Win-Win Agreements may be created between individuals, between an individual and a team, between teams, between a team and the organization, and between the organization and various stakeholders.

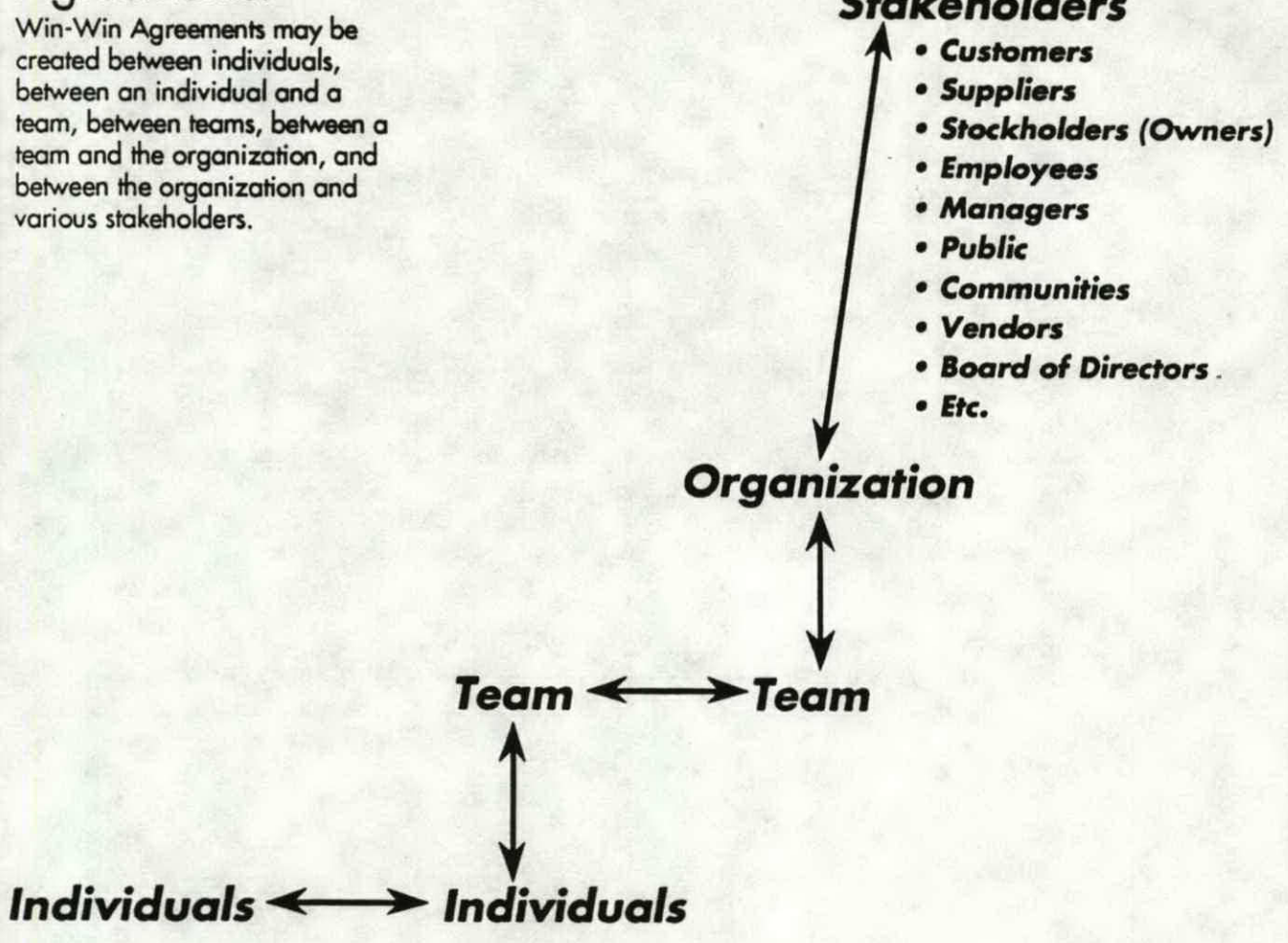
Stakeholders

- Customers
- Suppliers
- Stockholders (Owners)
- Employees
- Managers
- Public
- Communities
- Vendors
- Board of Directors
- Etc.

Organization

Team ↔ Team

Individuals ↔ Individuals



DIAGRAM

WIN-WIN AGREEMENTS THE BASIC PROCESS

Win/Win Agreements

- seek mutual benefit
- clarify expectations -- overcome waste and rework
- resolve conflict
- create a high trust culture

Basic Application Principle

$$\begin{array}{ccc} \text{Balance} & & \text{Effectiveness} \\ \text{in the} & = & \text{of} \\ \text{Emotional Bank} & & \text{Agreement Process} \end{array}$$

Basic Strategy

Interact in ways that make deposits.

Resolving Conflict

- Step 1 Express the problem from the other point of view.
- Step 2 Identify the key issues (not viewpoints) involved.
- Step 3 Determine what results would constitute a fully acceptable solution.
- Step 4 Consider possible new options to achieve desired results.

The Basic Contents of Win-Win

1. Desired Results: What are we going to do?
2. Necessary Guidelines: Within what limits?
3. Available Resources: What do we have to work with?
4. Determine Accountability: How can we tell how we are doing?
5. Consequences: Why do we want to accomplish the result?

SMALL GROUP EXERCISE

WIN-WIN AGREEMENTS

THE BASIC PROCESS

Instructions

1. Divide into triads. Each person has a role, and each will have a chance to play each role.
 - Role 1 - Participant
 - Role 2 - Observer
 - Role 3 - Other
(Boss, Peer, Report, or Stakeholder)
2. Prepare
 - A) Pick a real situation where you will have need of a Win/Win Agreement.
 - B) Who would you be reaching a Win/Win Agreement with?
 - C) Use the "other" analysis form to describe how they might respond to each of the 5 elements of agreement.
 - D) Use the "participant" form to describe the ideal answer from your point of view.

3. Role Play. Each person has 15 minutes in each role. 5 minutes will be allowed between role plays for feedback and discussion.

Participant role:

- Be as "for real" as possible.
- Hand "the other" analysis form to the person playing the "other" role this round and briefly tell them about the person they will be playing.

"Other" role:

- Try to rely empathize with the paradigm of the person whose role you are playing.
- Do not be artificially tough.

Observer role:

- As you observe, take notes on the Observer Analysis form.

4. Between role plays, allow time for each team member to share his or her experience. Those playing the roles of participant and "other" should respond to the following questions:
 - How did you feel during the role play?
 - What do you think went well?
 - What was awkward?
 - What insights did you gain?

EXERCISE

OTHER ANALYSIS

Boss, Peer, Report, or Stakeholder (Circle One)
(How you feel they would respond in the situation selected)

Desired Results

Guidelines

Resources

Accountability

Consequences

EXERCISE

PARTICIPANT ANALYSIS

(Your own point of view)

Desired Results (What are we going to do?)

Guidelines (Within what limits?)

Resources (What do we have to work with?)

Accountability (How can we tell how we are doing?)

Consequences (Why do we want to accomplish the result?)

EXERCISE

WIN-WIN AGREEMENT

To be used during the role play

Desired Results (What are we going to do?)

Guidelines (Within what limits?)

Resources

Accountability

Consequences

EXERCISE

OBSERVER ANALYSIS

What deposits are being made?

What withdrawals are being made?

What principles are being utilized or violated?

What are you learning as you observe this experience?

Are they "caught up" in the issues of the role play, or learning from the process?

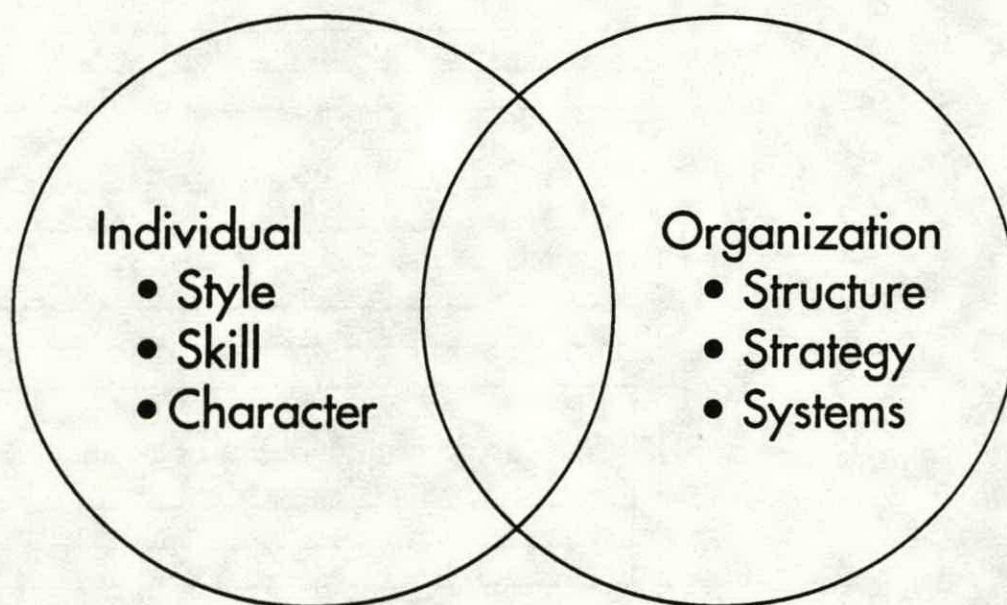
DIAGRAM

ROLE PLAY SUMMARY

A. Discussion and Sharing
(Report from each group)

B. Implications and Conclusions

- People don't supervise, agreements do.
- Never; never, never, violate agreements—modify.
- Avoid:
 - The Quick Fix Cynicism Syndrome
 - Oppressive Procedures
 - Premature "Rice Bowl" Connection
- We impact organizations by agreements



Agreements

- Shared Visions
- Shared Values

INDIVIDUAL EXERCISE

CREATING A HIGH TRUST CULTURE — SELF STUDY

Instructions

A. Force Field Analysis

Are Win-Win Agreements the normal practice in Conoco?
Would Conoco be more effective if they were?

The first step to create effective change is to understand the current situation. The force field analysis is a useful tool to gain that understanding.

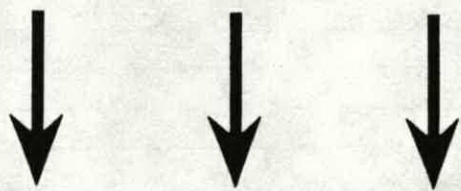
1. Read the content summaries, *Creating and Sustaining Win-Win Agreements* (P. 17) and *Win-Win Agreements Foster Empowerment*. (P. 21)

2. Describe in your own words, ideally what conditions should exist in your organization that would encourage quality Win-Win Agreements

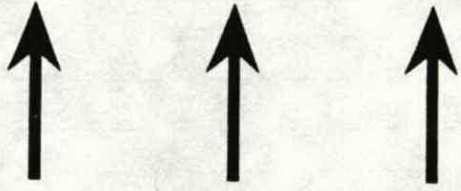
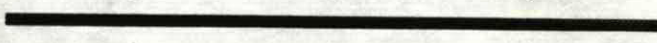
3. Describe the conditions as they now exist.

Ideal

Restraining Forces



Current



Driving Forces

4. What are some of the forces that would encourage change—driving forces that would move toward the ideal conditions? Use the PS Paradigm.

5. What are some of the forces that would resist the driving forces?

6. Using the PS Paradigm for analysis, what is the highest leverage intervention you could make?

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Consequences

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<p>failing to achieve the desired results is critical to both the motivation and the decision making of you and your partner. Realize that consequences can naturally follow action and can be awarded or imposed. Consequences can be positive and reinforcing or negative and extinguishing. Finally, consequences can be intrinsic and extrinsic.</p> <ul style="list-style-type: none"> • Consider the consequences (positive and negative) of accomplishing or not accomplishing the desired result to the following: <ul style="list-style-type: none"> —The work being performed —Other people in the work group 	<ul style="list-style-type: none"> —Other people outside the work group —The work group's customers —The organization —The boss —The person performing, in terms of <ul style="list-style-type: none"> a) financial reward b) opportunity c) development d) career advancement e) recognition f) reward g) discipline h) etc. 	<ul style="list-style-type: none"> • Consider both the immediate and the long term. To a less experienced partner, immediate consequences will be most effective; to a more experienced, committed partner, long-term consequences could be appropriate. • The consequences to both the task and the relationship should be identified and understood. • Realize that by clearly understanding what constitutes a win for your partner, consequences can be invented and created considering the short-term/long-term trade-offs and intrinsic and extrinsic options. <p style="text-align: center;">▲</p>
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APPLICATION EXERCISE

WIN-WIN AGREEMENT APPLICATION PROCESS**Instructions**

Clarify expectations (five elements of Win-Win Agreements)

1. **Desired** _____
 - _____ needs and goals
 - _____ with the end in mind
 - put first things first
 - ascertain how desired results fit into the " _____ "
 - _____ indicators and deadlines

2. **Guidelines**
 - determine level of _____
 - 1) wait for instruction
 - 2) ask what to do
 - 3) _____
 - 4) act, then report _____
 - 5) act, then report _____
 - identify relevant policies and procedures
 - specify things to _____

3. **Resources**
 - identify type and amount of available resources
 - 1) _____
 - 2) _____
 - 3) _____
 - 4) _____
 - identify how and when resources can be accessed
 - specify _____

4. **Accountability**
 - specify type of _____ (self-control or external control)
 - set agreed upon _____ (frequent or infrequent)
 - set performance _____
 - determine who _____ meeting reports
 - specify _____ of information
 - identify methods of evaluation
 - 1) Measurement
 - 2) Observations
 - 3) _____

5. Consequences

Consider the consequences of accomplishing or not accomplishing the desired results as they affect:

- 1) the work
- 2) others in the _____
- 3) others _____ the work group
- 4) customers
- 5) the _____
- 6) those who created the agreement
 - financial
 - opportunity
 - growth
 - career
 - other
- 7) your _____ and _____

Resolve Conflict

- Step 1. Express the problem from the other point of view.
- Step 2. Identify the key issues (not viewpoints) involved.
- Step 3. Determine what results would constitute a fully acceptable solution.
- Step 4. Consider possible new options to achieve desired results.

CONTENT SUMMARY

WIN-WIN AGREEMENTS FOSTER EMPOWERMENT

One of the most helpful processes in establishing the critical conditions of effectiveness is the creation of a Win-Win agreement.

There are five features of a Win-Win Agreement which basically cover what we need to understand before undertaking a job. We clarify the desired results, guidelines within which to work, resources upon which to draw, the means of accountability, and the consequences of on-the job performance. But we do not deal with methods. Win-win is a human resource principle that recognizes that people are capable of self-direction and self-control and can govern themselves to do whatever is necessary within the guidelines to achieve the desired results.

When more than two individuals are involved in the win-win agreement, the psychological contract becomes a social contract. We may set up the agreement with a team or a department or an entire division. Whatever the size of the group, all of the members

should participate in developing the win-win agreement. This social contract then becomes even more powerful, more reinforcing, and more motivating than the psychological contract because it taps into the social nature and human need to belong and be part of a meaningful team project or effort.

One of the strengths of this psychological or social win-win contract is that it is almost infinitely flexible and adaptable to any set of circumstances or to any level of maturity or competence. If the ability or desire to do a job is small, then you would identify fewer and smaller results; perhaps

have more guidelines, including procedures; make resources more available, attractive and visible; have more frequent accountability with tighter, clearer, more measurable criteria; and have consequences follow immediately, making feedback powerfully reinforcing.

In another situation where there is a great deal of maturity, a great deal of ability and desire to do a job, the win-win agreement would have broader, longer-range desired results with fewer guidelines, particularly regarding pro-

cedures and policy. You might make the resources available but not necessarily visible; have less frequent accountability, using discernment as well as measurement to evaluate performance; and set longer term consequences with particularly heavy emphasis on intrinsic psychological rewards rather than extrinsic rewards.

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Once a Win-Win Agreement is established, people can then supervise themselves in terms of that agreement. Managers may serve as sources of help and establish helpful organizational structures and systems upon which self-directing, self-controlling individuals

Setting Up Helpful Systems

Helpful organizational systems greatly facilitate the fulfillment of Win-Win Agreements. These systems might include strategic planning, company structure, job design, communication, budgeting, compensation, information, recruitment, selection, placement, training, and development. In a helpful system, people receive information about

their performance directly, and they use it to make necessary corrections.

If any of the so-called "helpful" systems are really hurtful win-lose systems, they will override the win-win agreement. This is particularly the case with the compensation system. If management talks win-win but rewards win/lose, they defeat their own system. It would be analogous to tell one flower, "Grow! Grow!" and then water another flower.

All of the systems within the organization must be totally integrated with and supportive of the win-win agreement. Win-win should be re-

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flected in recruiting and hiring and training. It should also be evident in professional development, compensation, job design, company structure, strategic planning, and mission and goal selection, as well as in all tactical activities.

Self-Evaluation

In a Win-Win Agreement, people evaluate themselves. Since they have a clear, up-front understanding of what results are expected and what criteria are used to assess their performance, they are in the best position to evaluate themselves.

The old notion is that the manager evaluates the performance of his people, sometimes using a secret set of subjective criteria that he springs on them at the end of a specified work period. This, of course, is absolutely insulting to people, which is why some managers do not have good performance appraisals. Unless expectations are clarified and commitments made up front, people can expect performance appraisals to be difficult, embarrassing, and sometimes downright insulting.

The attitude of leaders should be helpful, not judgmental. The leader is a resource in the win-win agreement. The leader may serve as a trainer when people undertake new tasks or new responsibilities or as a counselor in the areas of career planning and professional development. The leader involves people in establishing the win-win agreement and allows them to evaluate their own performance. If the trust level is high, the employee's evaluation will be more accurate, more complete, more honest than the leaders' evaluation ever could be, because the person knows all of the conditions and the details.

If the leader becomes aware of changing trends or other conditions which are not part of the original agreement, the leader would reopen the agreement for rethinking, replanning, and reformulating.

Character

At the core of the conditions of empowerment are two vital conditions: skills and character. Character is what a person is; skills are what a person can do. These are the human competencies required to establish and maintain the other conditions. Hence, they are really preconditions to the establishment of trusting relationships, win-win agreements, helpful systems, and employee self-supervision and self-evaluation.

In a low-trust culture, it is very difficult to establish a good win-win agreement or to allow self-supervision and evaluation. There would be a need, instead, for control systems and for external supervision and evaluation. Before a leader could set up the four conditions already discussed, he or she would clearly need to begin making

ing; these three personal skills enable an individual to establish the other four conditions of organizational effectiveness.

When individuals are duplicitous, when they say one thing but practice another or when they bad-talk people behind their backs but sweet-talk them to their faces, there is a subtle but eloquent communication that undermines trust and inevitably leads to win-lose agreements and arrangements requiring external supervision, control, and evaluation.

These conditions are so interdependent that if any one of them is thrown out of balance, it will immediately affect the others. In fact, changing just one character trait can affect all of the other conditions. For instance, consider the character trait of maturity, defined here as "courage balanced with consideration." If a leader had a great deal of courage but lacked consideration, the leader would probably express himself or herself clearly and aggressively but would listen poorly, without true empathy. Consequently, the agreement would be win-lose.

The leader would get his or her way, thinking that his or her way is best for everyone concerned. The leader would likely not encourage or allow the people to express their true feelings. The leader would fail to tap the internal motivation, requiring external motivation or supervision and the use of good control systems and performance appraisal procedures and compensation systems to reinforce desired behavior.

On the other hand, if a person lacks courage but is high on consideration, high in the need for acceptance and popularity, he or she will tend to develop a lose-win psychological contract where people do their own thing. Often these agreements lead to various forms of self-indulgence and organizational chaos. People may begin to blame others for poor performance or bad results. They may

Character is what a person is; skills are what a person can do.

deposits into the emotional bank account and do whatever is necessary to build a trust relationship so that the Win-Win Agreement could be established. And once the win-win agreement is in place, the other conditions will logically and naturally follow.

The character traits most critical to establishing the win-win agreement are integrity (habits are congruent with values, words with deeds, expressions with feelings), maturity (courage balanced with consideration), and the abundance mentality (there is plenty out there for everybody). A person with these character traits can be genuinely happy for the success and accomplishments of others.

Skills

The three most critical skills are communication, planning and organization, and synergistic problem-solv-

also get very demanding. Such behavior only reinforces the lose-win agreement, which eventually cannot be economically sustained and hence

leads to win-lose central control as management battles to survive and maintain some semblance of order. Anarchy breeds dictatorship. Again, as

Patrick Henry put it, "If we don't govern ourselves wisely, we will be governed by despots." ▲