

THE NEWSLETTER OF PERSONAL EXCELLENCE, MANAGERIAL EFFECTIVENESS, AND ORGANIZATIONAL PRODUCTIVITY

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MBO vs. ABC

Management by Positive Consequence



Executives raised on MBO tend to set goals with people and then leave them alone . . . until something goes wrong. Then they "zap" them. But executives who know their ABC's will reinforce desired behavior by managing consequences.

OF ALL THE MANAGEMENT concepts and techniques developed over the past several decades, few have received such widespread attention as Management by Objectives (MBO). The concepts behind MBO were introduced by Peter Drucker in the early 1950s and have become popularized throughout the world, particularly through the efforts of George Odiorne and John Humble. MBO is basically a participatory management approach that encourages superior/subordinate joint goal setting for the subordinate.

Why MBO Doesn't Work

While the MBO process makes infinite good sense, its implementation has produced few success stories. I think one of the main reasons for these disappointing results is that most managers think their job is over after they set goals with their people. They leave their people alone after goal setting until the next formal performance review or until one of their subordinates makes a mistake. Then the manager "jumps in with both feet" and "zaps" the erring subordinate. An English manager came up to me

during a break at one of my seminars several years ago and said, "In England we call this 'leave alone-zap' management style 'seagull management.'" Having never heard of seagull management, I said, "Pray tell, what is a seagull manager?" He said in his beautiful English accent, "Seagull managers fly in, make a lot of noise, dump on everyone, and fly out."

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It seems to me that the only way to eliminate this demotivating management style is to realize that the most important part of people management begins after goal setting has been done. This is when effective managers respond to the performance of their people.

The ABC's of Management: What Happens After Goal Setting

In *Putting the One-Minute Manager to Work*, Bob Lorber and I discussed the "ABC's of Management."

"A" stands for *activator*—anything that happens before "B" or *behavior* (performance can be substituted for behavior). "C" stands for *consequences*—anything that happens after behavior.

One-Minute Goal Setting clearly is an activator. Before a person can be expected to perform well, he or she needs to know what is being asked (areas of accountability) and what good behavior looks like (performance standards). If done after performance, goal setting usually comes across to people as punitive and unfair. If you ask, "Why didn't you turn in that report on the Johnson situation?" you can expect a sarcastic reply—"What report?"

While goal setting can start people off on the right foot in terms of performance, it does little to insure continued performance. That's where managing consequences comes into play.

There are three main consequences that can follow someone's performance: something positive, something negative, or nothing at all. If you do something and that performance is followed by a positive consequence like a One-Minute Praising, you will want to do what you did again. Positive consequences tend to increase the frequency of a particular behavior.

If you do something and that behavior is followed by a negative consequence like a One-Minute Reprimand, you will probably not want to do it again. Negative consequences tend to decrease the frequency of a particular behavior.

What happens when you work hard on a project, but no one seems to notice or say anything about it? You might work harder the next time to see if you get any attention. But after a while, when your

VOL. 1
NO. 7
NOV
1984

POSITIVE CONSEQUENCE

hard work gets no response, motivation and subsequent performance drops. Thus, no consequence at all also tends to decrease the frequency of a particular behavior. The only consequence that tends to increase the frequency of behavior is a positive consequence. And yet, what are the two most frequent responses people get to their performance—negative and nothing or “leave alone—zap.”

ONCE MANAGERS KNOW their ABC's, they usually want to know what impacts behavior more—activators or consequences. When I turn the question back to them, most managers suggest that activators like goal setting and training carry more clout than consequences. In reality, the reverse is true. While activators are important, only about twenty percent of what influences people's performance comes from these factors—the other eighty percent comes from consequences.

BEHAVIOR IS
CONTROLLED BY
ITS CONSEQUENCES

Let me give a few examples of the power of appropriately managing consequences.

Bob Lorber and his staff were working on a productivity improvement project one time in a manufacturing plant where there was a very high noise density. People working in the plant were expected to wear hearing protection during working hours to conform to legal requirements and to avoid potential hearing loss. While everyone was issued hearing protection, few people wore the apparatus in the plant with any consistency. When Bob's staff was asked to see if they could improve the frequency and use of hearing protection in the plant, they immediately wondered whether this contrary behavior was a result of poor goal setting and training (activators), or inappropriate responses to performance (consequences). After finding the use of hearing protection always mentioned and demonstrated in orientation meetings for new employees, Lorber's staff eliminated the possibility that the low use was an activator problem. As a result, they turned their attention to consequences—what happened when employees wore or did not wear their hearing protection.

They found that most new employees started wearing their hearing protection because of what they learned at their orientation session; however, they soon stopped wearing it once on the job. When supervisors noticed a new employee wearing his or her hearing protection, they reported “feeling good about it” and looked forward to working with that employee.

While supervisors had all these good feelings about new employees who wore their hearing protection, they admitted they seldom told the new employee. As a



*Express kind thoughts
and good feelings.*

result, new employees who conformed usually got no supervisory response as a consequence. This highlights a very important law that all managers and parents should remember:

UNLESS GOOD FEELINGS
AND KIND THOUGHTS
ARE EXPRESSED,
THEY MEAN
“SQUAT”—NOTHING

When we give self-assessment instruments to managers, they usually evaluate themselves as supportive, caring people. And yet often, when these managers are evaluated on the same instrument by the people that work for them, they are not seen as supportive, caring people. The reality is people are not mind readers. Unless you express your good feelings, people often do not know they exist.

This was illustrated to me beautifully by a story I heard in Sweden. Olaf and Anna were married for over thirty years. Anna said, “Olaf, you never say you love me.”

Olaf was quick to reply, “Anna, I told you I love you the day we got married. If I change my mind, I'll let you know.”

ONCE EVERY THIRTY years is not enough. Neither is once a year during performance review. Most people need to know when they are performing well as often as possible.

Let's take a look at another aspect of our hearing protection situation. If the new employee wears hearing protection, he or she gets zapped by co-workers: and if the employee does not wear it, a supervisor zaps him or her.

The only way out of this lose/lose dilemma is for the supervisor to give a positive consequence. The moment a new employee is seen wearing hearing protection, the supervisor needs to praise the new employee.

“I see you're wearing your hearing protection. I really appreciate that. I know you are going to get a hard time from co-workers, but it's important to me. I appreciate your cooperation and feel good about having you on my team.”

Now the new employee has a positive consequence to match up against a negative one. When the choice is between a positive and negative consequence, the positive one impacts behavior more.

The power of managing consequences appropriately also works at home. Suppose the parents of a sixteen-year-old boy decided that they wanted to get their son home by midnight on Fridays and Saturdays. Let's anticipate what might happen after the parents establish the curfew.

On the first night of the new rule, the boy announces at 11:30 P.M. to his friends that he has to be home in a half hour. His friends give him a hard time.

Now, suppose the boy fights to get home by midnight only to find that his parents are in bed or out at a party. They never commend him for coming home on time. Once again, we have a negative response matched against no response. And the next time the boy gets a hard time from his friends for going home early, he may not fight it. After all, he thinks, “No one at home seems to care whether I get home before midnight or not.” So now he doesn't come home until 1:00 A.M. But this time, his parents are right at the door waiting for him. “Where have you been? You know you're supposed to be home by . . .” and on and on—another negative consequence. Now the boy is caught in a lose/lose dilemma. He gets zapped by his friends if he complies with the curfew, and he gets zapped by his parents if he doesn't.

The only way to turn that around is for the parents to be home when their son