THE ROAD TO ORGANIZATIONAL SUCCESS

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Success in today's highly competitive marketplace will impose new and different demands on organizations. In many industries, a variety of highly similar products and services proliferate to the point where it is not uncommon for customers to have difficulty differentiating one from another. The road to corporate success no longer can be traversed merely with good products and clever marketing. Now, more than ever, companies must look to their human resource, not just to their goods and services, as a primary means to insure continued profitability, if not survival. The chauffer along the road to success will be employees who are very efficient and effective at their daily tasks and responsibilities.

The major thesis of this article is that efficient and effective employees are made not born! To understand this statement more clearly we must consider two very basic questions for which this article may provide some rather unusual and surprising answers. What do companies, pay their employees for? What do organizations really hire when they take on new personnel?

In the last two decades, we've posed these questions to many people in various corporations around the world. For the most part, the answers given are very similar: Employees are paid to get "results" in their jobs; organizations hire people who have the ability to get them. Unfortunately, these answers reflect a common misconception about the human resource and its role in organizational success.

ON THE ORIGINS OF RESULTS

The misconception is not about the importance of results to an organization. Obviously, getting things done, accomplished, or produced is fundamental to corporate well being. The real problem stems from a general failure to recognize the fact that results are the by-product of human action; that is, what people say or do. No result, product, or accomplishment of any value to an organization has ever been produced by an employee in the absence of saying or doing. Actions, then, are the true basis of results.

This distinction between actions and results is not merely semantic. Actions are the specific behaviors (sayings and doings) that an employee can engage in during the course of the workday. Results are the outcomes of those behaviors in terms of things produced or accomplished. For example, a completed report is the outcome of various actions or activities, from the planning stage through preparation of the final document. The report is certainly a reflection of the underlying actions, but is by no means identical to them.

Sometimes, results can mirror underlying behaviors very clearly. When making a widget, developing a plan, or completing a report, the final result is vivid testimony to the requisite employee actions. Unfortunately, however, other kinds of accomplishments do not always reflect so clearly upon the employee behaviors contributing to them. This happens when the results a worker desires (or is expected to produce) are only partly determined by personal actions. Situations like this commonly arise in areas of an organization, like sales, where the customer's decision to buy, the desired outcome, may be influenced by many factors other than what the salesperson says and does. In these cases, a employee's behavior may only partly control the intended result.

The important issue here is personal control. To what extent are an employee's desired, or expected results controlled by that person's own actions? The greater the personal control, the more clearly will the outcomes be a reflection of the worker's own behavior. In the absence of a high degree of personal control, the results of employee actions may bear little resemblance to the desired or expected outcomes. In this case, an employer may be in the difficult position of expecting (or even demanding) results that the worker cannot produce with any measure of confidence or regularity. Unfair and unrealistic expectations of this sort do little to foster organizational success, and certainly don't help the cause of employee development.

A DIFFERENT VIEW OF EMPLOYEES

Fortunately, some of these problems can be avoided by adopting a different view of employees. According to this view, employers do not merely hire people, those with the right abilities, skills, attitudes, and motivation to get results. Rather, organizations contract with employees for behavior; workers are paid in exchange for their actions. An employment agreement is essentially a contract stipulating that workers are to be compensated for giving the organization a certain number and kind of actions on a regular basis. As Ferdinad Fournies first described it, companies rent the behavior of their employees[2].

For an organization, there are three important implications of this way of thinking about employees. First, it resolves the problem of asking workers to produce things that may be partly or fully beyond their control. The one thing that normal people can hope to control (most of the time at least) is their own behavior. By adhering to this "rent behavior" notion, institutions ask no more of their employees than they can reasonably be expected to give. Of course, this implication is not always easy to accept, especially in areas of an organization where it is traditional to believe that people are hired purely to produce outcomes, like sales. But, whether we like it or not, the fact is that a sale is not fully controlled by the salesperson. The customer must still consent, which is an action the salesperson can hope to influence, but never reasonably determine, because of the many factors (other than the salesperson’s behavior) that can affect a customer's buying decision.

A second implication of renting behavior has to do with the need for organizations more carefully to specify what it is that workers are expected to do. So often we find that companies are content merely to indicate what employees must *accomplish*, but not what they must *do* in order to produce. What is ironic about this state of affairs is that, as argued above, organizations really pay for actions, not outcomes. If this is so, there should be a lot more concern about saying and doing and a lot less about results. Our research and experience over the years with hundreds of organizations indicates that *if you get people saying or doing enough of the right things, results will take care of themselves because accomplishment is the by-product of action.*

THE RESULTS TRAP

But, what are the right things for people to be saying or doing? It is frequently not clear, especially to employees. All too often workers are left on their own to determine what they should and shouldn't do. How frequently we hear managers exclaim: "I just want results. I don't care how we get them!" This common attitude typifies what may be called "the results trap." Companies (usually managers) fall into this trap when they believe they have hired a "complete" employee, instead of realizing they are just renting behavior. Trapped managers are convinced that employees should have been hired with the right attitudes, motives, and skills to get the job done, regardless of what it takes, and they don't understand why desired outcomes sometimes fail to occur. What's worse, trapped managers often feel helpless when employees don't perform as expected because they see little they can do to bring about a change. The problem, for them, obviously lies somewhere inside the "complete" person they've hired. And so, the workers don't improve, and the trap endures. Consequently, trapped managers often are frustrated and exhibit a tendency to become negative and hostile, an unproductive management style that is all too common in today's workplace.

The idea of renting employee behavior offers a way out of the results trap. However, this way requires that managers and other corporate administrators realize it is they, not the workers, who must specify the behavioral requirements of jobs in their organizations. The corporation itself must decide which actions it wishes to rent from employees. In essence, this amounts to the development of a behavioral blueprint for each job. This blueprint should contain a prescription of the specific actions, or action categories, that will maximize an employee's chances of obtaining desired results. Although there are several ways such blueprints can be formulated, the past history and experiences of the organization can play an important role in determining which kinds of behaviors are likely to "pay off" for any job.

With behavioral prescriptions in hand, organizations have a far more positive, constructive and powerful way of managing employees than that offered by approaches focused only on outcomes. After all, there are really only two reasons why employees fail to produce desired results. One is that nothing the person could do would matter, like trying to sell a product that is too costly or for which there are too few benefits. In this case, the desired result is largely out of the salesperson's control. The solution here is not to fix the person, but rather to change the desired outcome or alter the factors that produce it. In our sales example, this might involve lowering the price or changing the product itself.

The only other reason for not getting results is that employees are not engaging in the actions necessary to produce them. Such circumstances may not be terribly surprising if management has failed to specify what their people should do to maximize results. But, if a blueprint for action has been provided, then either employees are not following it, or the blueprint is wrong. In either case, the solution at this point begins by knowing exactly what employees are and are not doing.

That brings us to a third important implication of the "renting behavior" view of employees. Organizations need a systematic, ongoing way of inventorying the behaviors they rent. It would be unthinkable for a bank not to regularly count the money it takes in, or for other kinds of companies not to keep track of their products and materials. Yet, how few organizations have an action inventory to track precious employee behavior. Sadly, every day, thousands of corporations pay lots of money for actions they have no way of knowing if they get. Action inventories come in a variety of shapes and sizes, depending upon the specific situation. But, regardless of form, all share a common benefit: *They enable organizations to effectively diagnose and treat problems that stem from a lack of employee results*. When significant outcomes don't occur, action inventories can reveal whether it is a worker's behavior that needs attention, or an action blueprint that needs revision. In either case, highly positive and constructive management techniques can be used to remedy the deficit.

So what is the major message of importance for organizations in this conception of employees? It is simply this: Human behavior is one of the most precious resources that an organization has at its disposal. It should be nurtured and tended carefully for, as we shall see below, it is ultimately the basis of corporate success.

THE PYRAMID OF ORGANIZATIONAL SUCCESS

It is commonly believed that an organization is successful when it can achieve certain outcomes that allow it to be profitable and competitive in its own industry or marketplace. The exact nature of these outcomes depends on the organization itself, but can include such things as the realization of certain sales, revenues, or market share levels, the attainment of certain production figures, the maintenance of certain quality standards or even the occurrence of certain safety records. Each of these outcomes is a global or composite index of how a company is doing as a whole. Organizations are accustomed to examining their own global outcomes as a routine part of tracking corporate well being and success. Obviously, global outcomes are not the result of one or two people, or even a single department.

With the increased competition that exists in almost every industry these days, it is no longer possible for organizations to be one-dimensional, or to depend too much upon past success factors, like reputation, innovative products, low prices, clever marketing, or even an effective sales force. Today, all elements of an organization must pull together in order to achieve corporate success. Companies must be able to "fire on all cylinders," so to speak.

To accomplish the global outcomes indicative of overall success, an organization is dependent upon the results and accomplishments of many individuals and work groups. So, in an important sense, it is what people throughout the organization achieve that contributes directly to its ultimate well being. Of course, outside factors may also play an important role in corporate success. But, ultimately, the collective results of employees and work groups funnel directly into the global outcomes that determine to what extent an organization will profit or even survive in today's competitive marketplace.

The figure above illustrates what we call the "pyramid of organizational success." The pyramidal shape is a reflection of the funnel-like relation between the individual and group results level and global outcomes at the top. But, the most important aspect of this figure is that the global outcomes indicative of corporate success, along with the underlying individual and group results, both rest upon a base of employee behavior. This is a reflection of the simple fact, noted earlier, that human behavior is the real foundation of organizational success. Without action there can be no results and, in turn, no global outcomes. Action is thus the raw material from which organizationally significant results and outcomes are fashioned. Just as results are funneled into outcomes at the top of the pyramid, behaviors at the base are channeled into individual and group accomplishments.

It is clear from this pyramid conception that organizations cannot be content to focus exclusively on results as the means to self-improvement. In spite of this, many companies waste thousands of dollars, not to mention considerable effort and energy, in the direction of campaigns dedicated to getting more results. Campaign slogans abound: Let's get more sales, bigger profits, greater market share, more accounts, higher levels of customer satisfaction, the list goes on and on. Ironically, by focusing on one important aspect of organizational success (results) another, even more fundamental aspect (actions), may be overlooked.

Corporate self-improvement efforts, if they are to be effective, ultimately must impact the pyramid at the base level. Employees must change what they do, how they perform their jobs, if organizations are to change. Using the positive management techniques that have been researched for over 20 years, companies can cultivate, develop, and maintain their behavioral resource toward greater and greater levels of corporate effectiveness. The road to organizational success is lined with milestones (i.e., results) that are reached through efficient and effective employee actions.

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[2] *Coaching for Improved Work Performance*, 1978

