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Don't Mark My Paper, Help Me Get an A

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AS I SHARE with you how we successfully implemented our “Don't Mark My Paper, Help Me Get an A” philosophy into our performance review system, we'll cover three aspects of an effective performance review system: *planning*, *execution*, and *review and learning*. These set the context around which everything in our new performance review system was done. During this discussion you will notice that when I talk about our managers, I refer to them as “tribal leaders” and the people who report to them as “tribe members.”

To shift people's mind-set about learning and to set up our "Don't Mark My Paper, Help Me Get an A" philosophy, I asked our people to think of us not as a "team" but rather as a "tribe." Using tribal terminology gave me a vehicle to talk about a wide range of organizational attributes that were important to WD-40 Company, rather than just the attributes I'd be limited to if I were to use the word "team." A team is about winning and getting stuff done in a positive way. While that's important, a tribe is a much richer concept.

A tribe is a place you belong; a team is something you play on once in a while.

The tribal concept set the tone for the open communication we needed in our company. It also helped establish a partnership philosophy that is necessary to implement the "Don't Mark My Paper, Help Me Get an A" concept. I'll talk about this in more depth in Part Two, "Building the Right Culture."

PLANNING

When it comes to planning, once a year every tribal leader has a conversation with each of his or her direct reports to establish the tribe member's final exam. A final exam has three parts: essential functions, SMART goals, and values.

The whole "Don't Mark My Paper, Help Me Get an A" process starts with an agreement on essential functions. Essential functions primarily describe the responsibilities of tribe members within their unique job position. For example, a salesperson's essential functions could include sales, administration, customer service, team contribution, and account management.

Before we start our “Don’t Mark My Paper, Help Me Get an A” process at the beginning of the year, we e-mail everyone in the company—including new and promoted people—a description of their essential functions with a comment that says, “This is the current essential functions description we have on your position. Is this still the way you understand your job?” We give people their essential functions before agreeing on their final exam because we realize that tribe members know better than anybody else whether their jobs have changed. The discussion can explore whether a tribe member is overloaded and whether he or she needs to give up or redefine certain aspects of the job. Perhaps the tribe member needs to engage in additional training to develop more competencies. The essential functions description is a work-in-process document throughout the year.

The discussion with a new hire or promoted person obviously is a bit different. Our concern there is focused on “Is this the job you thought you accepted?”

Once tribe members are clear on their essential functions, three to five short-term SMART goals become their priority for their final exams. SMART is a widely used acronym for what a well-defined goal looks like:

- **S** stands for specific. It doesn't do much good to say to somebody, "I want you to improve in this area." That is not specific enough. Specific means it is observable and measurable. If you can't measure something, you can't manage it.
- **M** stands for motivational. Part of the alignment process involves getting clarity about whether this is a goal that the tribe member is excited about and willing to pursue. In analyzing anybody's performance potential, you have to look at both competence and commitment.
- **A** stands for attainable. You don't want to set a goal that is so hard that the person doesn't have a chance to achieve it. What you want are "stretch" goals. These are goals that are moderately difficult but achievable for the person. An A for one person may be quite different than an A for another person doing a similar job. Competence and experience have to come into play here.

- **R** stands for relevant. We believe in the 80/20 Rule: Eighty percent of what you want your people to accomplish comes from 20 percent of the activities they could focus on. Therefore, the three to five goals chosen for an individual should be ones that are most relevant to that job. In essence, this means that each goal chosen should directly contribute to the company's bottom line or support the efforts of those who do. For example, in accounting, a SMART goal could be set on promptness of payments for accounts receivable. A human resources SMART goal could be focused on retention and absenteeism. A SMART goal for marketing could be increasing the profit contribution of a brand or supporting the efforts of the salespeople. A SMART goal in the supply chain area might be focused on cost reduction.

- **T** stands for trackable. You don't want a goal that leaves you in the dark about how you'll get there, or that makes it hard to know how well somebody is doing on the goal until it's finished. You want a goal that you can track over time. That way, during periodic review sessions you can praise progress or redirect efforts, depending on how the individual is doing on the goal at that moment. You don't want to wait to praise or redirect somebody after the fact.

One of the things I've learned over the years is that:

All good performance starts with clear goals.

When establishing a final exam with someone, it's important to be certain that the person knows exactly what he or she is being asked to do. That's what establishing SMART goals does. It makes sure that people are being evaluated on observable, measurable goals, not on fuzzy, subjective expectations.

We take all this time to agree on essential functions and goals because, as Stephen Covey says, “Nearly all conflict comes from differences in expectations.”

The rules at WD-40 Company are simple: If people attain their observable, measurable goals at the end of the fiscal year, they will get an A—as long as they’re in good shape with the third part of the final exam—living the company values. I’ll talk about our company values in Part Two, “Building the Right Culture.” At WD-40 Company we don’t just want good performers; we want good performers who are also good citizens—people who live our values. This means that a high performer who continually violates our values might be facing a career crisis.

EXECUTION

Once people are clear on their final exam and the observable, measurable goals that the exam consists of, we move on to execution. At this stage, people must begin to perform on their agreed-upon goals. This is where day-to-day coaching comes into play. This is a major emphasis in the “Don’t Mark My Paper, Help Me Get an A” philosophy. In most organizations, as Ken suggested in the introduction, after goals are set, managers file them and don’t think much about their people’s performance until they realize they have to do their annual performance reviews. The only other time they think about their people’s performance is when something goes wrong that is evident to everyone. These managers tend to manage by exception. When a red flag goes up, they go to work and start managing.

At WD-40 Company, agreeing on the final exam with a tribe member at the beginning of the fiscal year only begins the process. Now comes the key step:

The leader has to keep up his or her end of the partnership relationship on a day-to-day basis, helping and coaching the tribe member to get an A.

One of the concepts that helps drive day-to-day coaching at WD-40 Company is Situational Leadership® II, another important Blanchard concept I learned during the MSEL program at the University of San Diego. What attracted me to Situational Leadership® II is that its purpose is to increase the quality and quantity of conversations between leaders and their people. Ken will describe this concept in more detail in Part Four, “The Simple Truths about Helping People Win at Work,” but let me share with you its essence.

According to Situational Leadership® II, there is no one best leadership style. It all depends on an individual’s competence and commitment in a particular goal area. Competence depends on a person’s knowledge and transferable skills from past experience, and commitment depends on a person’s motivation and confidence. Competence has to do with skill, and commitment has to do with attitude.

Situational Leadership® II identifies four development levels people go through as they move from dependence to independence in doing a task. It's important to note that no individual is at any one stage in all the tasks that he or she is asked to perform. So when a tribe leader agrees with a tribe member on a final exam that includes three to five goals, the first step for both of them is to analyze that tribe member's development level on that particular goal. They ask, "Is the tribe member new and inexperienced on this task, or a skilled veteran? Is the tribe member excited and confident about doing the task?"

Why ask those questions? Because they will determine what leadership style is necessary for that particular goal. Does the tribe member, because of inexperience, need direction and support, or is she competent and committed enough to direct and support her own efforts? In other words, when it is necessary to increase tribe members' competence in particular goal areas, they need direction and supervision from their leaders. If tribe members need to build their commitment, they need support, encouragement, and involvement from their tribe leaders.

After a final exam is created, the process goes like this: leaders and tribe members together analyze the development level of the tribe member on each of his or her goals and determine the leadership style that is a match. Then they have to agree on a follow-up plan to implement an agreed-upon style. As the tribe member continues to develop, that style should change. What Situational Leadership® II does beautifully is assist people in determining what kind of help they need from their managers as they move toward their A in each of their agreed-upon goal areas. It provides the basis for the day-to-day coaching of tribe members.

REVIEW AND LEARNING

Continually planning and executing without the value of review and learning could blindside you with what we call a typhoon—a destructive event. That's when somebody makes a mistake that hurts both the organization and that person's reputation. Since we don't want that to happen, it is important to take time to pause, review progress, and look for any learning—whether or not a mistake has been made.

Pausing to learn often isn't part of business culture. A typical strategy is "Plan your work and work your plan." But that focuses all the energy on planning and execution. When people spend too much time planning and executing, it's all about operations, operations, operations. This doesn't allow time for people to figure out what's working and what isn't. An important thing to remember about execution is this: Don't get caught there. I would love for people to have a sign on their desk that says, "Don't just do something—sit there!" At WD-40 Company, we want to make sure we take time to find the learning in every action. That requires consistently reviewing what we're doing.

When it comes to reviewing, we ask these questions:

- What did we set out to do?
- What actually happened?
- Why did this happen?
- What will we do next time?
- What should we continue to do?
- What should we do differently?

At WD-40 Company the review and learning process is a continuous conversation throughout the year. Why do we say review and learning is an ongoing process? Because:

*You don't want to save up feedback
until somebody fails.*

Periodically, you want to be able to give people feedback that either is positive or redirects their efforts.

To make feedback effective, ***caring and candor*** are important. *Caring* is behavior that demonstrates your concern about the person's development, professionally and personally. *Candor* permits a manager to deliver impactful feedback. That means being candid and honest with a person in a caring way. Candor and caring go hand in hand. With caring, you get to make deposits in your emotional bank account with a person.

Why is that important? Because sometimes you have to make withdrawals. No matter how caringly you give negative feedback, sometimes it hurts. And if you don't have the deposits when you make the withdrawals, you're in an awful place. But if the person you're dealing with knows you want him or her to succeed, the pain is short-lived and turns into a Learning Moment. At WD-40 Company, having Learning Moments is something we've worked hard to imbed in our culture.

Quarterly Informal/Formal Discussions

Four times a year all our tribe leaders have a conversation with each of our tribe members, which we call "informal/formal discussions." The first item of business is to review the agreed-upon final exam. Is it still relevant? In a lot of companies, after goals are agreed on at the beginning of the year, they are filed and seldom reviewed. Yet throughout the year different demands occur, and people are asked to do things that were not part of their original goals—or in our terms, "final exam." As a result, people are often evaluated at the end of the year on established goals that are no longer relevant. That's why each quarter our tribe leaders and tribe members review the final exam and make appropriate changes, if needed. If new goals are added, it is legitimate to take some old ones off the final exam.

After reviewing the final exam, the tribe leader and member begin to look at the tribe member's performance. In most organizations, at the end of the year every manager has to complete an evaluation of each of his or her people. It often is an agonizing and time-consuming process. The direct reports wait anxiously to see how they did—how their manager evaluated their performance. This gets particularly sticky when companies have a normal distribution curve, where managers are forced to sort out their people into a few winners, a few losers, and a lot of average performers. Even worse is when they have to rank-order their people from first to last.

At WD-40 Company, everybody has to complete only one performance evaluation—their own—and they do it every quarter for our informal/formal discussions. This evaluation is based on the final exam they agreed on at the beginning of the fiscal year. I don't fill out people's evaluations, nor do any of our tribe leaders. What we do is have a conversation one-on-one during our quarterly meeting and review each person's assessment of him- or herself. If a tribe leader disagrees on a tribe member's assessment, that's where caring and candor come to the forefront. It's not about sticking your finger in the tribe member's face and saying, "Hey, when you and I agreed on your final exam at the beginning of the year, you were going to do this. And right now we're not there." Rather, when we find a discrepancy between what was agreed upon and what's happening, we always ask, "What's going on in your life and your business that's not allowing what we expected to happen? How can I help?"

The other two key aspects of implementing our “Don’t Mark My Paper, Help Me Get an A” philosophy are **accountability** and **responsibility**. Accountability means taking time to review progress and add value to the tribe member’s mission to get an A. So accountability goes both ways—from the leader as well as the tribe member. Accountability is the opposite of entitlement. A lot of people want entitlement.

Entitlement means “You owe me.”

*Accountability means “We owe each other
for something we’ve agreed upon.”*

When we talk about responsibility, we’re talking about addressing your and your tribe members’ commitment to achieving an A. No finger-pointing is tolerated. It’s a partnership. Both sides are responsible for the outcome. We don’t play the blame game, because we know we are accountable and responsible, too. I firmly believe that reasonable people who absorb the same information and share the same values will probably arrive at the same point of view. If they don’t, the differences can be worked out.

To take the fear out of these quarterly conversations, I tell people that not everyone has to get an A on every goal. In fact, a B is the best thing you can get in one of our informal/formal discussions, because a B says “I need help on this goal.” I tell my people, “If you gave yourself a B somewhere in your quarterly review, you’ve got to know I’m on your side. Because I know you got a B and I want to be there next to you.” Getting a B means “I can be better.” It doesn’t mean “I failed.” Since I get to see everyone’s review, our tribe members know that if they get a B on some part of their quarterly review, I’ll come alongside their tribal leader and chat with him or her to see if there’s any way I can help.

For example, I’m leaving for Europe this week, and I have a list of all the B people. Before I talk to tribe leaders about their tribe members’ As, the first thing I’ll do is talk to them about any Bs their people got. I’ll say, “Hey, Fred, loved seeing your people’s reviews. I see some of them got a few Bs. How can I help? What do we need to do to turn those Bs into As? Remember, our responsibility is all about helping people get As on their goals. If they aren’t getting As, we’ve failed.”

Can anybody get higher than an A on a goal? Yes, they can get an A+ on a goal if they’ve done the following:

- Consistently exhibited a high skill level
- Gone above and beyond to demonstrate our corporate values
- Taught others how to demonstrate corporate values
- Are a role model to others on that goal and can pass the test of public opinion—meaning that their reputation, exceptional contributions, and results in that area are well known by others

If tribe members don't get As or Bs at their quarterly informal/formal discussions, the next thing they can get is an L on a goal. What does that mean? It means those tribe members are in a learning mode on that goal. It's a new responsibility, and they need more time to gain competence. While they do not meet expectations on that goal, they are progressing to an acceptable level of competence.

Can tribe members get a C, D, or F on a goal at a quarterly informal/formal discussion? They can get a C, but no grade is lower than that. Getting a C on a goal means there has been a lack of effort, and tribe members need to apply themselves more consistently to meet expectations on that goal. An improvement plan should be in effect, and effort is necessary. A C also can indicate that little effort has been made to demonstrate corporate values while working on that goal, and the tribe member needs to demonstrate those values more frequently in that area.

This evaluation process is repeated at the end of every quarter as well as at the end of the year during the final annual review. It is important to reiterate that tribe leaders fill out a performance evaluation only on themselves. They do not fill out evaluation forms on the tribe members who report to them.

The evaluation form that tribe members fill out on themselves is a working document. (See Appendix A, “The WD-40 Company Goal Review Form.”) The same form is used throughout the year. For example, when tribe members assess their performance for the second-quarter informal/formal discussion, that form also displays their first-quarter assessment. By the time their final self-assessment is completed at the end of the year, the form is completely filled out and includes an overall rating. It’s just like when you were in school. You got graded separately for each course and got a grade point average at the end of the year.

In addition to a grade for each goal area, tribe members must evaluate themselves on whether they have demonstrated or visited each of the six corporate values. Each quarter and again at the end of the year, tribe members give examples of demonstrating each value. Remember, we are looking for tribe members who are both high performers *and* values-driven players.

Suppose at the end of the year a tribe member can't even maintain a B average. Now it's career planning time. If the manager has done everything possible to help that person get an A, including appropriately applying Situational Leadership® II, tribe member and tribe leader must sit down and decide what to do. The tribe member is obviously in the wrong position. If he or she is a values-driven tribe member, we may look for another position within WD-40 Company.

If the person is not a values-driven tribe member, and we think termination is necessary, we use a bit softer phrase than Donald Trump's "You're fired!" We just kindly say to someone, "If our culture of candor, caring, accountability, and responsibility doesn't work for you, let's share you with a competitor." WD-40 Company is not for everyone.

That said, WD-40 Company goes to great lengths to see that people are treated with dignity and respect. When someone is asked to leave our company, it is after a great deal of effort to keep that person. When people leave WD-40 Company, most of the time they feel treated with respect and do not harbor ill will for the company. That's the highest level of achievement in any company—to have people shake your hand as they leave involuntarily.

Suppose a manager came to me and said a person should be shared with the competition for a values problem, a performance problem, or both. I would ask, “What have you done to help that person get an A?”

If there isn't clear evidence that a plan was in place to help the tribe member get an A... I would need to question that leader's commitment.

In the final analysis, perhaps the manager is the one who needs to be shared with the competition.

You don't have to share a tribe leader with the competition more than once to get the attention of all the leaders and help them recognize that managing people is a partnership, not a purely judgmental role. We want as many of our people to win as possible.

MANAGING THE JOURNEY

One key factor that makes a change effort successful is follow-up. Without a learning environment, a clear vision, and rank-ordered values, it's hard to keep people on track. These, combined with our tribal culture, set the context that helped make our new performance review system successful.