CREATING THE HIGH HIGH PERFORMANICE WORK PLACE

IT'S NOT COMPLICATED TO DEVELOP A CULTURE OF COMMITMENT



SUE BINGHAM & BOB DUSIN

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TABLE OF **CONTENTS**

Foreword
Breaking Tradition
Introduction
Chapter 1: The Genesis of the High-Performance Work Place 5
Chapter 2: Feeling the Heat
Chapter 3: A Better Way
The High Performance Culture
Chapter 4: Lead With Positive Assumptions
Chapter 5: Identify and Eliminate Negatives 41
Chapter 6: Build Trust and Mutual Respect
Chapter 7: Practice Open, Two-Way, Adult-to-Adult Communication
Chapter 8: Engage and Involve Employees
Chapter 9: Conduct Exceptional Training
Chapter 10: Ensure Competitive Wages and Benefits 107
Chapter 11: Establish High Expectations
Making It Happen
About the Authors
Acknowledgments
Works Cited

BREAKING TRADITION



INTRODUCTION

The value of each employee's unique and individual character is often eclipsed by the fear of litigation and working in an era of corporate arrogance. It's no secret that there will soon be more jobs and fewer people to fill them. The coming generations who will fill these jobs will not easily fit into a company and culture that doesn't provide them with purpose and development and value. It's time to get back to leading with common sense and kindness. Leaders must challenge how they lead people today instead of blindly accepting traditional management practices. What we know today warns us that this prevalent approach will not stand the test of a changing workforce and the changing nature of work itself.

The good news is there is an uncomplicated alternative to this dated management approach that is startling in its simplicity and rewarding in its results. We start with the genesis of the philosophy after which we have named our business—the High Performance Work Place (HPWP). It was created over thirty years ago by Ken Bingham and has been continually enhanced through real-time, hands-on implementation. Some of what is presented in this book may be challenging to many who are content with a familiar, traditional working environment. While challenging, it is not complicated for smart, extremely capable leaders to adopt this common-sense approach, and it is highly likely these principles will support such leaders' values.

4 | CREATING THE HIGH PERFORMANCE WORK PLACE

HPWP is comprised of eight elements. These elements are all worthwhile principles that should form the foundation of any successful organization's work culture. However, as the applications of these elements are illustrated, some leaders may be skeptical that such a workplace is realistic today. It is.

When you have finished this book, you will look at yourselves and the workplace with new eyes—inspired to make a difference in the lives of the people with whom you work, as well as in your own life.

CHAPTER 1

The Genesis of the High-Performance Work Place

rom his early thirties until his retirement, Ken Bingham has devoted his career to finding and fine-tuning elements that create the highest-performing work environments. By doing so, he has, directly and indirectly, impacted thousands of people's lives, both at their workplaces and in their homes. He has done this through his own high standards for hard work and excellence as well as by applying these same expectations to everyone around him. He calls his system the *High Performance Work Place*, or HPWP. In the simplest of terms, he would describe this as, "Do the Right Thing—Every Time."

If you have seen the standup comedy routines of Jerry Seinfeld, you know he makes us all aware of how humorously stupid our commonly accepted thoughts and behaviors are. That's also Ken. He is extremely impatient with policies, practices, and decisions that don't make sense. Driven by the dual desire to make the companies he has worked for successful and the people with whom he worked feel valued, Ken developed the philosophy and applications in the following pages. Everything we know today about creating the most successful workplaces comes from being his devoted apprentices.

Researching High-Performing Companies

Over thirty years ago, Ken worked for CECO, a major construction company, with over seventy locations throughout the country. CECO's

businesses consisted of steel mills, manufacturing plants, construction sites, and supporting warehouses and facilities. Over 80 percent of the

operations were unionized, involving over fifty different labor agreements.

Do the Right Thing— Every Time.

While CECO was very strong in the construction business at that time,

the company was experiencing losses in market share in some of its manufacturing lines. Executive leadership was dissatisfied with the current situation and was alarmed looking at forecasts for the future. They determined that, while they could gain a competitive advantage through technology, innovation, automation, sales approaches, material utilization, and customer service, all these advantages would only prove temporary. Over time, the competition would be able to find and adopt similar techniques.

80 percent of what any organization does can be done equally well by any other organization.

Therefore, competitive success depends upon the other 20 percent which is the people.



They considered and discussed the possibilities of a management style, or work environment, that would maximize productivity and reduce costs while avoiding unions and associated restrictive labor agreements. Ken's job at the time was to negotiate many of the numerous labor agreements that were in place as well as monitor employee relations at the nonunion facilities. He was about to get an opportunity that would change his business life—and his personal life.

His assignment was to lead a small team to see if they could determine what principles were required to create the most productive work environment possible. The team met with companies throughout the country that were known for the best performance (or at least had a reputation for such) within each company's industry. After visiting and studying individual sites, team members collected information that began to coalesce into related concepts. Their conclusions formed the basis of the eight elements we will review in this book.

Soon CECO built a new facility in Milan, Tennessee, with a culture based completely on the recommendations of Ken's group. The facility would manufacture metal doors and doorframes. The product line would use machinery and equipment that was identical to that used in its Cicero, Illinois location.

The plant manager and production management team were selected from other company facilities. Their selection was based primarily on leadership skills, not on experience in operations. All the production employees and most of the support staff were hired locally. Extensive training was completed even before the doors opened. After six months of operation, the product line was out-performing the Cicero line by 100 percent. After one year of production, the Tennessee line was performing at over 200 percent of the Cicero line. In addition, the Milan plant had a long waiting list of applicants who wanted to work there, a turnover rate below 4 percent, and an absentee rate of less than

0.5 percent. The cost savings and resulting profits were phenomenal. CECO went on to start up several additional plants with this cultural approach and without the need or threat of union intervention.

So, why is a proven concept that works this well, and has been around for decades in many different forms, not practiced by most companies and organizations? The reasons will become apparent throughout this book as the high-performance road map is laid out.

It's Not Rocket Science

As organizations grow, they become more complex and bureaucratic. But think about small company startups where everyone does any job necessary. Employees may work long hours, but they are challenged and motivated to be successful. There aren't a lot of rules or policies. There is high trust. There is collaborative teamwork. High expectations are continually set, and they don't even need to be communicated. Job descriptions are not necessary, and no formal performance appraisal process exists. Everyone has access to the information, tools, and supplies that are required. It is hard to identify a manager—or even the owner—in the group. It is fun, and it is personally rewarding.

Company growth doesn't require abandoning all those characteristics of a great workplace. Companies absolutely need structure and communication when there is growth. But the pendulum often swings too far into bureaucracy and risk mitigation, and this begins to kill what made it successful in the first place (more about that later).

It's Not a Program

With the best of motives and a desire to pursue excellence, myriad management programs have been introduced to a workforce that has become more and more cynical toward any type of leadership training. The workforce has repeatedly seen initiatives begin with a lot of energy and end with barely a whimper. There's nothing wrong with many programs, which generally focus attention on improvement opportunities outside the whirlwind of the workday. Some are touted only to be successful if their implementation becomes part of the company culture. While this may occasionally happen, many of these programs rarely achieve that level of sustainability.

An employee of an HPWP client recently reduced all the complex explanations of culture by simply saying, "It's the way we do things around here." Culture is how decisions are made, challenges are faced, and problems are handled. When visiting any organization, the culture can be felt. As you walk through a facility, employees working in a high-performance culture are welcoming to visitors. They smile and wave while continuing to work; there is electricity in the air and a strong sense of unity. You can frequently hear laughter. Conversely, you can also feel the culture in an organization in which employees have become survivors or worse—zombies. They don't look up. The pace is moderate at best, there are no smiles, and eyes are figuratively and literally on the clock as it slowly marches toward the end of the day.

What HPWP Is

When managers commit to engaging common sense and judgment, creating a high-performance workplace is absolutely a competitive strategy. That's because a HPWP is:

- a philosophy that believes people are an organization's competitive edge,
- a culture that drives behaviors and decisions based on common values,

- an operating system that supports that culture,
- a platform for facilitating continuous growth and improvement,
 and
- a legacy for multi-generational family business leaders.

It's a place where people want to come to work.

A Leader's Scorecard

For over twenty-five years, the HPWP Group has conducted High Performance Leadership Workshops designed to help participants look at themselves and the people they work with in a more honest way—with positive assumptions *and* high expectations. As part of exploring workplace challenges, we've asked management participants six questions. The answers have been consistent for almost three decades, and they paint a picture of what we know and of what opportunities exist for significant improvements. Take a moment and answer these questions based on your current organization.

Th	e Six Questions	Your Answer
1.	How many people who work in your organization are good, responsible people (own homes, raise children, want to do the right thing)?	percent
2.	How much of each employee's potential do you (as an organization) use?	percent
3.	How much brainpower is required for most jobs?	percent
4.	In any given day, not including breaks and lunch, how much time per employee is nonproductive?	hours
5.	Who generally knows the job best—the supervisor or the employee?	
6.	If a manager leaves his office, approaches an employee, asks him to come back to the office and shuts the door, what do you think is happening?	

Let's see how your responses compare to the responses of most of our participants.

- 1. How many people who work in your organization are good, responsible people (own homes, raise children, want to do the right thing)? Typical answer: 75-95 percent
- 2. How much of each employee's potential do you (as an organization) use? Typical answer: 50 percent
- 3. How much brainpower is required for most of the jobs? Typical answer: 30-60 percent
- 4. In any given day, not including breaks and lunch, how much time per employee is nonproductive? Typical answer: 2 hours
- 5. Who generally knows the job best—the supervisor or the employee? Typical answer: The employee
- 6. If a manager leaves his office, approaches an employee, asks him to come back to the office and shuts the door, what do you think is happening? Typical answer: The employee is in trouble or did something wrong. It's something negative.

You can see from these answers that managers and leaders believe that most employees are good, responsible people. However, organizations are using only half of their potential, and the jobs are not structured to maximize brainpower. At least 25 percent of each employee's day is nonproductive. Leaders believe the person doing the job every day knows it best, yet whenever they have any meaningful communication, the perception is often that the employee is in some type of trouble.

What a fantastic opportunity to improve and grow. At the very least, based on these answers, organizations should be able to do the same amount of work with 25 percent fewer people. This nonproductive time is not necessarily attributable to people avoiding their responsibilities. It also includes downtime caused by waiting for answers, approvals, and decisions; changes in schedules, systems; and procedures; equipment repair and maintenance; and unclear expectations.

This scorecard says that many companies are not maximizing their human capabilities. It's like spending a lot of money for a great operating system or piece of equipment, then using only a small percentage of its capacity.