Google Analytics

Google’s Project Oxygen
“Eight Good Manager’s Behaviors and Three Pitfalls”

1. Be a good coach.
   - Provide specific, constructive feedback, balancing both the negative and positive.
   - Have regular 1-on-1s, presenting solutions to problems tailored to your employee’s specific strengths.
2. Empower your team and don’t micromanage.
   - Balance giving freedom to your employees while still being available for advice.
   - Make stretch assignments to help the team tackle big problems.
3. Express interest in the success of your team members and personal well-being.
   - Get to know your employees as people, with lives outside of work.
   - Make new members of your team feel welcome and ease their transition to the team.
4. Don’t be a sissy: productive and results-oriented.
   - Focus on what you want the team to achieve and how can achieve it.
   - Help team prioritize work and use seniority to remove hurdles.
5. Be a good listener and listen to your team.
   - Communication is two-way, you both listen and share information.
   - Hold all-hands meeting and be straightforward about the messages and goals of the team, help the team connect the dots.
6. Have a clear vision and strategy for the team.
   - Involve the team in setting and evoking the team’s vision and making progress toward it.
7. Help your employees with career development.
   - Sometimes, fantastic individual contributors are promoted to managers without the necessary skills to lead people.
   - People hired from outside the organization don’t always understand the unique aspects of managing at Google.

Three Pitfalls of Managers

1. Have trouble making the transition to the team.
   - Sometimes, fantastic individual contributors are promoted to managers without the necessary skills to lead people.
2. People hired from outside the organization don’t always understand the unique aspects of managing at Google. Lack a consistent approach to performance management and career development.
3. Don’t help employees understand how these work at Google and doesn’t coach them on their options to develop and stretch.
   - Not proactive, waits for the employee to come to them.
   - Spend too little time managing and communicating.
An Integrated Approach to Human Resources

Top 10 questions that determines organizational health or potential dysfunction.

1. Imagine your Fairy godmother has granted you one wish; you can change for the better or make different one aspect of your leadership style. What would it be?

2. Imagine your Fairy godmother has granted you one wish; you can change for the better or make different one aspect of your organization. What would it be?

3. How many direct reports do you have?

4. If we were to measure the performance of your direct reports on a scale of 1 to 10, how many of your direct reports would score an 8, 9, or 10? Ask resignation question.

5. How many of your employees think strategically?

6. If we were to measure the performance of your employees on a scale of 1 to 10, how many of your employees would score an 8, 9, or 10?

7. What have you invested in the development of your Leadership Team in the past 12 months?

8. How many employees have quit or have been terminated in the past 12 months?

9. Do you possess a sustainable competitive advantage in technology? Do you have more capital than your competition?

10. Do you have an integrated talent management strategy in place?

11. How many strategic initiatives has HR brought to the “C Level” in the past 12 months?
Strategic Initiatives Typically Include...

- Employee Engagement surveys and action planning initiatives.
- 360 evaluations at the Executive, Managerial, Supervisory or Contributor levels.
- Behavioral Tools for leadership development.
- Behavioral tools for succession planning.
- Behavioral tools for employee selection.

What Qualities Does A Level 5 Leader Possess?

<table>
<thead>
<tr>
<th>Leader “C Level”</th>
<th>Bookkeeper</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
Assessments

Define the Job

• Create behavioral performance benchmarks for all positions.
• Reach consensus about the job and compare it to benchmarks.

Assess the Incumbent

• Measure the behavioral attributes of the incumbent.
• What are my strengths?
• What are my Developmental Considerations?

Gap Analysis

• Measure the difference between who I am and the requirements of the position.
• Determine the actions that support these required changes/behaviors.
• Predict the energy requirements or frustrations that are incumbent on making these changes.

Bottom Line
When people perform at higher levels:
• Increase self-awareness
• Improve retention
• Enhance productivity
• Improve morale

...profits surge!
COMPETITIVE

DOMINANT

• Goal Oriented
  • Likes taking risks
  • Seeks Challenge and Recognition
  • Self confident

• Accommodating
• Team Player
• Avoids friction with others

SOCIAL

SOCIABLE

(Style of communication)

• People-Oriented
• Empathetic
• Relationship Builder
• Warm, friendly

• Fact-Oriented
• Objective and Analytical
• Leans more towards logic than emotions
• Matter of fact, strictly business
• Tending to be terse or sparse

ANALYTICAL

RELAXED

RELADED

• Easy going
• Patient and Steady
• Calm, even-paced

• Restless and Impatient
• High Sense of Urgency
• Likes Change
• Intense, driving

CONSCIENTIOUS

COMPULSIVE

• Detailed-oriented & thorough
• Organized
• Systems-oriented
• By the Book

• Persistent and Determined
• Likes freedom of action
• Dislikes working within a restrictive structure
• Independent
• Strong Willed

INDEPENDENT
A benchmark study published in the Harvard Business Review dispelled the myth that factors such as age, race, education, gender, or prior experience were critical to job success. Use of assessments to match the behavioral characteristics of an individual to the behavioral characteristics of the job correlates with better performance, higher productivity and lower turnover.

Job matching based on behavior, personality, temperament and attitude is the deciding factor. When hiring or promoting, ask yourself: "Does the candidate have a reasonable behavioral match to the expectations of the job? If so, successful performance can be predicted and maintained over time?"

- Use of behavioral assessments for job matching in your hiring process reduces turnover by as much as 50%.
- According to the same Harvard Business Review Study, 61% of employees hired with the right personality became top performers (top 2 quartiles) within 14 months on the job.
- Only 7% of those without the right personality became top performers.
- Conclusion: Having the right personality makes success more predictable.

This study supports the premise that job matching is the critical factor in lowering turnover and increasing productivity, not age, race, education, gender or experience.

EXHIBIT I  
Sales Performance According to Age

<table>
<thead>
<tr>
<th>Measurement period after hiring</th>
<th>Performance Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st</td>
</tr>
<tr>
<td>6 months</td>
<td></td>
</tr>
<tr>
<td>Over 40</td>
<td>9%</td>
</tr>
<tr>
<td>Under 40</td>
<td>10%</td>
</tr>
<tr>
<td>14 months</td>
<td>7%</td>
</tr>
<tr>
<td>Under 40</td>
<td>8%</td>
</tr>
</tbody>
</table>

Note: Sample sizes: after 6 months, 1,292 in over-40 group and 2,112 in under-40 group; after 14 months, 1,195 in over-40 group and 2,277 in under-40 group.

EXHIBIT II  
Sales Performance According to Sex

<table>
<thead>
<tr>
<th>Measurement period after hiring</th>
<th>Performance Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>6 months</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>11%</td>
</tr>
<tr>
<td>Men</td>
<td>9%</td>
</tr>
<tr>
<td>14 months</td>
<td>8%</td>
</tr>
<tr>
<td>Women</td>
<td>9%</td>
</tr>
</tbody>
</table>

Note: Sample sizes: after 6 months, 1,069 women and 4,227 men; after 14 months, 825 women and 2,999 men.

EXHIBIT III  
Sales Performance According to Race

<table>
<thead>
<tr>
<th>Measurement period after hiring</th>
<th>Performance Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>6 months</td>
<td></td>
</tr>
<tr>
<td>People of Color</td>
<td>4%</td>
</tr>
<tr>
<td>Caucasians</td>
<td>9%</td>
</tr>
<tr>
<td>14 months</td>
<td>4%</td>
</tr>
<tr>
<td>People of Color</td>
<td>4%</td>
</tr>
<tr>
<td>Caucasians</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: Sample sizes: after 6 months, 271 african americans and 2,014 caucasians; after 14 months, 106 african americans and 1,208 caucasians.

Three Levels of Appraisal

**LEVEL I - Appearance and Presence**
- On the Surface
  - Appearance
  - Manners
  - Expressiveness
  - Interests
  - Goals
- Can Do
- Will Do

**LEVEL II - Skills and Experience**
- Knowledge
- Acquired Skills
- Training
- Experience
- Education
- Credentials
- Stability & Persistence
- Maturity & Judgment
- Aptitude/Capacity to Learn
- Temperament/Personality Patterns

**LEVEL III - Attitude and Beliefs (Personality)**

### Impact on Performance

<table>
<thead>
<tr>
<th>Level</th>
<th>Ease of Appraisal</th>
<th>Is Appraisal</th>
<th>Changeable or More Stable</th>
<th>Impact on Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL I</td>
<td>Easy</td>
<td>Subjective</td>
<td>Changeable</td>
<td>Low</td>
</tr>
<tr>
<td>LEVEL II</td>
<td>Easy</td>
<td>Objective</td>
<td>Changeable</td>
<td>Low / High</td>
</tr>
<tr>
<td>LEVEL III</td>
<td>Difficult</td>
<td>Extremely Subjective</td>
<td>Stable</td>
<td>High</td>
</tr>
</tbody>
</table>

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ENGAGEMENT AND EARNINGS PER SHARE

Gallup recently researched the impact of employee engagement on the most important measure of a company’s stockholder value: earnings per share (EPS). Gallup compared engagement at the company level with EPS for publicly traded companies in its engagement database. From this comparison, Gallup found EPS grew 2.6 times more among publicly traded companies with top-quartile employee engagement levels than among publicly traded businesses with below-average engagement.

EPS GROWTH RATE
- Baseline 2001-03
- 2004-05

+15.6 point net gain
+18.0%

+6 point net gain
+3.1%
+2.4%

-2.9%

Companies with below-average employee engagement levels
Companies with top-quartile employee engagement levels

Note: Percentages based on median values in each group
Source: Gallup
Graphic by Tommy McCall

Accord Management Systems
Employee Engagement Survey Item Results

Supervisor Effectiveness, 58%

<table>
<thead>
<tr>
<th>Item</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Neither Agree/Disagree</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have a clear understanding of my role and responsibilities...</td>
<td>51%</td>
<td>26%</td>
<td>15%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>2. My supervisor is fair with me and gives me honest feedback...</td>
<td>58%</td>
<td>19%</td>
<td>15%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>3. My supervisor demonstrates concern for my personal development...</td>
<td>56%</td>
<td>21%</td>
<td>15%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>4. My supervisor provides me with regular feedback about my performance...</td>
<td>54%</td>
<td>23%</td>
<td>15%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source:
Graphic by Tommy McCall
Level 5 Hierarchy

PERSONALITY

80% LEVEL 5 EXECUTIVE
Builds enduring greatness through personal humility and professional will.

70% EFFECTIVE LEADER
Catalyzes commitment to clear and compelling vision, stimulating higher performance standards.

50% COMPETENT MANAGER
Organizes people and resources toward the effective and efficient pursuit of predetermined objectives.

40% CONTRIBUTING TEAM MEMBER
Contributes individual capabilities to group achievements and objectives. Works effectively with others in a group setting.

20% HIGHLY CAPABLE INDIVIDUAL
Makes productive contributions through talent, knowledge, skills, and good work habits.

SKILLS

20% LEVEL 5 EXECUTIVE

30% EFFECTIVE LEADER

50% COMPETENT MANAGER

60% CONTRIBUTING TEAM MEMBER

80% HIGHLY CAPABLE INDIVIDUAL

Turnover Costs Summary

<table>
<thead>
<tr>
<th>JOB TYPE/ CATEGORY</th>
<th>TURNOVER COST RANGE AS A % OF ANNUAL WAGE/SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Level–Hourly, Non Skilled (e.g. Fast Food Worker)</td>
<td>30 – 50%</td>
</tr>
<tr>
<td>Skilled Hourly (e.g. Machinist)</td>
<td>40 – 70%</td>
</tr>
<tr>
<td>Clerical/Administrative (e.g. Scheduler)</td>
<td>50 – 80%</td>
</tr>
<tr>
<td>Professional (e.g. Sales Representative, Nurse, Accountant)</td>
<td>75 – 125%</td>
</tr>
<tr>
<td>Technical (e.g. Computer Technician)</td>
<td>100 – 150%</td>
</tr>
<tr>
<td>Engineers (e.g. Chemical Engineer)</td>
<td>200 – 300%</td>
</tr>
<tr>
<td>Specialists (e.g. Computer Software Designer)</td>
<td>200 – 400%</td>
</tr>
<tr>
<td>Supervisors/Team Leaders (e.g. Section Supervisor)</td>
<td>100 – 150%</td>
</tr>
<tr>
<td>Middle Managers (e.g. Department Managers)</td>
<td>125 – 200%</td>
</tr>
</tbody>
</table>

Note:

- Percentages are rounded to reflect the general range of costs from studies.
- Costs are fully loaded to include all of the costs of replacing an employee and bringing them to the level of productivity and efficiency of the former employee.
- The turnover included in studies is usually unexpected and unwanted. The following costs categories are usually included:
  - Exit cost of previous employee
  - Recruiting cost
  - Employee cost
  - Orientation cost
  - Training cost
  - Wages and salaries while training
  - Lost productivity
  - Quality problems
  - Customer dissatisfaction
  - Loss of expertise/knowledge
  - Supervisor’s time for turnover
  - Temporary replacement costs

Turnover costs are usually calculated when excessive turnover is an issue and turnover costs are high. The actual costs of turnover for a specific job in an organization may vary considerably. The above ranges are intended to reflect what has been generally reported in the literature when turnover costs are analyzed.

Sources of Data:

- Industry and trade magazines have reported the cost of turnover for a specific job within an industry.
- The Saratoga Institute.
- Independent studies have been conducted by various organizations and compiled by the Jack Phillips Center for Research. The Jack Phillips Center for Research is a Division of Franklin Covey.
According to a 12-year study, R & D managers are most likely to be "executives in trouble," and many executives in a cross section of functional areas are technically proficient but exhibit poor management and leadership skills.

"The profile of an executive in trouble is someone who is very talented in one area, they are technically proficient, have a high level of expertise within their area of specialty. They are most well served managing process rather than people."

The challenge takes place when we promote our "go-to" expert to a position where they must now do business dealing with vague and ambiguous environments. In essence, the Peter Principle takes place most often when we promote an employee with a "Specialist" personality to the position requiring the behavioral attributes of a "Generalist."

**Peter Principle**

<table>
<thead>
<tr>
<th>Research &amp; Development</th>
<th>44%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>34%</td>
</tr>
<tr>
<td>Information Technology &amp; Systems</td>
<td>31%</td>
</tr>
<tr>
<td>Engineering</td>
<td>31%</td>
</tr>
<tr>
<td>Finance</td>
<td>25%</td>
</tr>
<tr>
<td>Sales</td>
<td>23%</td>
</tr>
<tr>
<td>Administration</td>
<td>21%</td>
</tr>
<tr>
<td>Personnel/ HR</td>
<td>18%</td>
</tr>
<tr>
<td>Marketing</td>
<td>17%</td>
</tr>
</tbody>
</table>

**EXECUTIVES IN TROUBLE**
Determining your location on the Corporate Lifecycle...

“Top Ten”

**HIGH “D” Growing Companies** vs. **HIGH “C” Aging Companies**

1. Personal success stems from taking risks  
   Personal success stems from avoiding risks
2. Expectations exceed results  
   Results exceed expectations
3. CASH POOR  
   CASH RICH
4. From Why and What to do  
   To How to and Who "did it"
5. People are kept for their contributions to the organization in spite of their personalities.  
   People are kept for their personalities in spite of their contributions
6. Problems are seen as opportunities  
   Opportunities are seen as problems
7. Responsibility is not matched with Authority Responsibility  
   Authority is not matched with Responsibility
8. From a Sales Orientation  
   To a profit pre occupation
9. Power is with Sales and Marketing Depths.  
   Power is with Accounting and Legal Depths.
10. Consultants are needed...  
    “Insultants” are needed - “Insultants” are required to fuel growth. Attitudes Consultants are used can get in the way but results are #1

Tactical vs. Strategic

One of the prevailing challenges that takes place is our confusion as to their impact on our processes. This includes planning, implementation, measuring and ultimately achieving the desired results.

<table>
<thead>
<tr>
<th>Tactical</th>
<th>Controller</th>
<th>Operations</th>
<th>Sales</th>
<th>H.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>C.F.O.</td>
<td>R&amp;D</td>
<td>Marketing</td>
<td>H.R.D.</td>
</tr>
</tbody>
</table>
An employer has a moral obligation to keep long-term employees as long as they meet the requirements in the job description 93% 86% 50%

Loyalty is being willing to stay with an employer for the long haul 94% 83% 46%

I prefer work that provides an opportunity for growth, even if it is stressful 53% 81% 86%

My job means more to me than just a way to earn a living 58% 78% 83%

An employer is responsible for providing a clear career development path for its employees 86% 78% 53%

My level of commitment to my employer depends on the likelihood of long-term job security 83% 68% 40%

Loyalty is not related to how long you stay with employer, but how big a contribution you are currently making 40% 68% 78%

Changing jobs every few years is usually damaging to a person’s long-term career advancement 72% 61% 18%

Long-term career advancement depends on staying with an employer for a long time 77% 56% 13%

Source: Spherion Emerging Workforce® Study, 2007

**Demographics**

**Typical Emergent Workers Are...**

- **Highly Educated** (37% post graduate degree; 32% college graduates)
- **Of Moderate Age** (Mean: 44 years)
- **Spread Evenly Across the Country**
- **Hard Workers** (Average hours per week: 45.1)
- **Equally Likely To Be Male or Female** (Male to Female ratio: 54%; 46%)
- **Income**
  - Median: 9% < $34,999; 43% $35,000-$99,999; 25% $100,000

**What is the lifetime value of a client?**

Maintaining our clients is oftentimes determined by those earning the least amount of money...not those of us here.
### SAMPLE - At Risk Assessment

**Employee Engagement**

<table>
<thead>
<tr>
<th># of Employees</th>
<th># Direct Reports</th>
<th>% of Other</th>
<th># of Keepers</th>
<th># of non Keepers</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>8</td>
<td>50%</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

**Salary Information**

- 2007 Salaries paid $2,400,000
- Average Salary per employee $40,000
- Average Salary per Executive $90,000

**Turnover**

- # of Employees lost last year 12
- # of non Keepers 3

**Salary calculation**

1. Average Salary per employee $40,000
2. Average Salary per Executive $90,000
3. # of Employees lost last year 12
4. # of non Keepers 3

   \[
   \text{Average Salary per employee} \times \text{# of Employees lost last year} = \text{Salary at Risk}\]

   \[
   \text{Average Salary per Executive} \times \text{# of non Keepers} = \text{Salary at Risk}\]

**Resources:**

What we will learn (learned today):

1. Develop a heightened level of self knowledge and awareness from today’s presentation and **create a Self Development Action Plan**.
2. Develop a greater appreciation for the people side of business; basically how to get it right including a systematic approach and metrics **How to Hire, Fire, Promote and Develop your People**.
3. Strategically oriented people can handle tactical jobs easier than tactically oriented employees can handle strategic concepts.
4. Today's Presentation is all about the people side of business...Google one of the most technologically advanced businesses yet 87.5% of Project Oxygen's initiatives were ultimately about people. **Our businesses are all about people.**
5. Job-Fit is critical. The better the fit the better and more predictable the performance.
6. Accountability is critical.
7. One of the greatest challenges we as leaders have is developing an appreciation as to why others can't do what we so easily accomplish.
8. Most executives are great at the systems and financial side of the business yet if we struggle its almost always with the people side.
9. How to assess bench strength and develop a succession plan.
10. We always know "Who" we have issues with, now we understand "Why" the issues exist, "What" to do about it and "How" to fix it.

**ACCORD MANAGEMENT SYSTEMS, INC.**

*Getting the People Side of Business Right... The First Time*