

PRACTICE WHAT YOU PREACH

What Managers Must Do To Create A High Achievement Culture

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MAIN IDEA

Is there a statistical correlation between employee attitudes and financial success for a business? And if there is, what is the correct sequence – do employee attitudes drive financial success or does financial success itself result in improved employee attitudes?

To answer these questions definitively, a survey of 139 offices of 29 firms in 15 countries and along 15 lines of business was conducted. When the data was analyzed using standard statistical methodologies, convincing proof becomes available that if a business first energizes and excites its people, they will then serve clients well with the result that the business will make lots of money. The data shows conclusively:

- The most financially successful firms have better employee attitudes than other businesses.
- Staff attitudes drive financial results, not the other way around.
- The skills and behaviors of managers are the prime sources of energized people who provide great client service.
- Management who practice what they preach – no disconnect between the walk and the talk – are the most effective.
- There are definite predictors or drivers of financial performance within every business that managers can influence directly.
- A fair, open and equitably managed compensation systems is a key employee performance driver.
- Firms that maintain high standards and avoid hiring additional employees to meet short-term needs do better.

In total, this survey provides cold, statistical evidence of the importance of personal character in managers who aspire to lead their firms to greatness. It also confirms that success in management is a matter of personality (as demonstrated by the litmus tests of trust, respect and integrity) than good business systems.

This should cause every business manager to carefully revisit and analyze everything they do.

1. The Survey Page 2

To gather quantitative data about what are usually qualitative factors, a 74-question survey was distributed to more than 11,000 employees (each earning \$25,000 or more) in 29 companies doing business in 15 countries across more than 15 different lines of business. The responses were then analyzed and compared to the financial performance of each office to determine causality and performance drivers.

2. The Two Key Results of the Survey Pages 3 - 4

Result #1 – The 9 Best Predictors of Financial Performance

Firms with employees who agree with the following nine predictive statements are more likely to make significant profits and grow faster:

1. Client satisfaction is our top priority.
2. We dislike putting personal agendas before client interests.
3. Those who contribute the most garner the highest rewards.
4. Management gets the best out of everyone in the firm.
5. Everyone is required to learn and develop new skills.
6. We invest in things that will pay off in the future.
7. We always treat others with respect.
8. The quality of client project supervision is uniformly high.
9. The quality of professionals in our office is consistently high.

Result #2 – The Path to Performance

The drivers of any firm's financial performance are quality and customer relationships – both of which are the direct result of employee satisfaction. Thus, quite specifically, to generate more profits, increase the level of employee satisfaction – by setting high standards, applying quality coaching and empowerment.

3. The Four Key Lessons Generated by the Survey Pages 5 - 8

Lesson #1 – The Role of Managers

Effective and productive managers always need to pay careful attention to three critical areas: (1) Personal character traits; (2) Personal beliefs; (3) Personal actions.

Lesson #2 – How to Create a Corporate Culture of Success

A corporate culture that breeds success will always be a unique combination of factors which are not tolerated by the business and personal standards which everyone is expected to maintain. Creating and then maintaining a corporate community with the right balance between these two sides is the manager's challenge.

Lesson #3 – The Importance of an Emphasis on People Management

In the highest producing businesses, managers pay careful attention to developing their people. Managers that create an energized and fun workplace through the use of appreciation and other nonfinancial rewards do better than managers who do not.

Lesson #4 – The Four Key Areas: (1) Hiring; (2) Training; (3) Reward System; (4) Dealing with Clients

In these and other areas, the successful managers stand head and shoulders above their contemporaries. It isn't they are any smarter than other leaders – it's mainly that they implement better.

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