

# 'Stepping Back To Basics'

defining performance expectations for operations supervisors

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This year one of our business group directors came to us with this problem: the most limiting factor to his sales and profits was his six production/service centers which supply products to fill orders booked by his field sales organization. (They are also responsible for getting renewal orders.) This business group was a recent acquisition, and the supervisors in charge of the service centers had no formal training in management or supervision. Performance expectations were fuzzy, they were working long hours and delegating poorly. They had no real concept of how to make things happen by good planning, directing and controlling. The business group director was willing to take them off the job a couple days to give them some training.

After reviewing the problem we decided to resist the temptation to give them a two-day quickie on MBO and motivation. We get good

interest and feedback on these sessions but behavioral change has been negligible without extensive implementation and follow-up work which requires more time from our department than we could give this project. We tried something different and it was so well received that we're being asked to do it for other business groups . . . .

## Back to Basics

Here's what we did: We provided a two-day workshop with three levels of management present (service center supervisors, regional managers and the business group director). Very little time was spent preaching philosophy, reviewing our favorite research findings or in "interesting exercises" not specifically related to their job. Instead, we spent most of the time reaching agreement as to what is meant by *satisfactory performance* in supervising a service center. This is a step back to basics

but too many of the training problems we've been asked to resolve lately have been caused by failure to clearly define performance expectations and attach the necessary importance to the critical results required of the worker. (See "Operations Supervisors' Performance Standards" on the following pages for final output of the workshop.)

## Workshop Agenda

Our workshop agenda consisted of the following outline of activities and procedures:

1. Opening — purpose of workshop, its objectives and agenda.
2. Brief lecture on MBO and what is meant by planning, directing and controlling.
3. Supervisors were asked to list all the things they *do* on the job. We asked the bosses to leave the room and let the supervisors list these activities in a free wheeling manner. They came up with a list of about 70 items which were

heavily weighted in nonproductive administrative activities and no items under "people" or supervision. This alerted their bosses to the need for emphasizing their role as supervisors of people instead of making a clerk of themselves.

4. Explanation of what is meant by job segment (key result areas or responsibilities) and group agreement on 8-12 major segments of their jobs. This was done in general session and there was little difficulty reaching agreement on an initial list of about 10 segments. Some, however, were combined, added or revised after they cross-referenced activities listed in previous exercise to the appropriate job segment. Others were redefined more accurately after they began setting performance standards.

Definitions of each segment were written by three-person teams assigned to specific segments and agreed upon or revised in the general session following team tasks.

5. Explanation of what is meant by performance standards along with examples. We assigned half of the segments to one team and the other half to the other team and asked them to brainstorm a first-draft list of possible standards for those segments assigned to their team. Bosses were in a third team developing a list for all the segments and presented their list as an input for supervisors on the next exercise.

6. Team inputs were presented and discussed in the general session, concepts and questions were reviewed, and then the teams were asked to exchange their lists to refine or improve the standards previously developed by the other teams. The quality of their work improved dramatically on this exercise. The boss team was improving their list based on best inputs evolved up to this point in the workshop.

7. Final team outputs were

## Operations Supervisors' Performance Standards

### PRODUCTION

Locate and direct the activities of widget producers to insure adequate supply of widgets up to standards.

(We hope you will excuse our use of the word widgets in this example.)

My job will be well done when:

- There exists an accurate, neat and up-to-date "control board" to meet sales forecast for the next 12 months.
- 100 per cent of widgets purchased meet company specifications.
- The minimum number of widgets per year from present producers is \_\_\_\_\_.
- There is operation supervisor inspection of each producer at least two times per year.

### QUALITY CONTROL

To assure that product meets company specifications.

My job will be well done when:

- Customer replacements are below \_\_\_\_\_ per cent of sales.
- There are no more than \_\_\_\_\_ widgets refused by customers because of poor quality.
- All widgets sold meet company, state and federal specifications.

### SALES SUPPORT AND CUSTOMER RELATIONS

Provide services and sales support needed to achieve current and future sales goals.

My job will be well done when:

- Widgets are delivered within 10 days of delivery date on order form.
- Complaints are acknowledged within 48 hours.
- Complaints are settled within 10 days.
- Renewals are at realistic rate of \_\_\_\_\_ per cent of sales.
- No justified complaints from customers due to manner in which they were treated.

### COST CONTROL

Keeping costs in line with budget and at lowest practical level.

My job will be well done when:

- Costs are within budget.
- Warehousing costs per widget are no more than \$ \_\_\_\_\_.
- Delivery costs per widget are no more than \$ \_\_\_\_\_.
- Labor costs per widget are no more than \$ \_\_\_\_\_.

### PEOPLE

Practices required to insure a competent work force needed to achieve present and future business goals.

My job will be well done when:

- All vacancies are filled by qualified people within two weeks.
- Performance standards and objectives for each full time employee are updated by January 1 each year and approved by boss.

- Advanced work scheduling is used to maximize labor utilization and major assignments delegated in terms of results desired if possible.
- Monthly status reports of performance against standards and objectives are inspected, and appropriate actions taken to insure desired performance.
- Formal performance reviews are conducted no less than once a year, resulting in an acceptable plan for performance improvement for each exempt employee.
- No employees continue on the payroll who fail to demonstrate over a reasonable period of time their ability and willingness to support established organizational goals.

#### HOUSEKEEPING AND SAFETY

The maintenance of facilities to assure efficiency and safety.

My job will be well done when:

- There are no disabling occupational injuries.
- All safety standards of company and government are met.
- All equipment and structure are in excellent state of repair.
- Maintenance and repairs are within budget.
- Appearance of facilities and vehicles meet company guidelines.

#### ADMINISTRATION

All required records and reports are maintained and prepared in an accurate, timely and efficient manner.

My job will be well done when:

- All administrative work is completed in \_\_\_\_\_ hours or less per week.
- All reports are accurate and on time.
- No serious surprises to boss from failure to keep him informed.

#### PERSONAL RELATIONSHIPS

Effective performance against responsibilities shared with others needed to achieve organizational goals.

My job will be well done when:

- All responsibilities, standards, or goals I share with other employees will be 100 per cent achieved by me.
- There will be no justifiable complaints submitted to my boss concerning my cooperation with others.

#### INNOVATION

Creation of better ways to achieve company goals.

My job will be well done when:

- A minimum of one successful innovation in managerial practices is applied each year.
- A minimum of two business improvement objectives with good economic payout are developed; and at least 75 per cent achieved each year (see objectives).

#### OBJECTIVES

1. Increase widget production rate from our producers from \_\_\_\_\_ to \_\_\_\_\_ per month by 12/31 while maintaining replacement rate below \_\_\_\_\_ per cent.
2. Increase renewal rates from \_\_\_\_\_ per cent to \_\_\_\_\_ per cent of last year's sales.

presented in general session and discussed. Agreement was then reached on each standard with the understanding that the final list of standards would be written up and mailed to each individual for further reflection and discussion with boss prior to any commitments.

8. A definition of what is meant by objectives was provided and a distinction made between standards and objectives. Examples of each were provided and discussed.

9. The group was asked to brainstorm and select two priorities where performance improvement would result in the best payout.

10. They were then asked to write and agree on specific improvement objectives for each of the two priorities previously determined.

#### Useful Resources

As we mentioned earlier, the workshop was so well received that we are being asked to do more of them in other business groups.

Four publications were useful as resources for lecture material and examples needed in the workshop:

- *Objectives and Standards of Performance in Marketing Management* by Ernest C. Miller (AMA).
- *Objectives and Standards of Performance in Production Management* by Ernest C. Miller (AMA).
- *Management By — And With — Objectives* (The Conference Board).
- *Evaluating and Improving Managerial Performance* by Virgil K. Rowland (McGraw-Hill). **USEBETD**

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