
----- WHAT'S UP, DOC? -----

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"Creating Leadership Solutions for Profit and Growth"

THIS MONTH'S THEME: TEN THINGS LEADERS MUST KNOW
(PART 1 OF 2)

I find myself repeating these lessons and ideas often with clients and new executive contacts, so I thought it would be a good thing to set them down together on paper. This month, I will offer the first five building blocks of a coherent leadership philosophy, which will culminate in an edition next month to make the case for the power and importance of strong leadership. The first working title for this two-part newsletter was "the Leverage of Leadership," since the ten points as a whole build a case that shows how powerful strong leadership can be. I decided against that title because the word "leverage" is not one that everyone uses or relates to easily. So, without further ado, let's begin this month's discussion.

SUBSCRIPTIONS INCREASE SINCE JAN 1, 2005: 31%

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THIS MONTH'S QUOTES:

"After silence, that which comes nearest to expressing the inexpressible is music." - Aldous Huxley

"History is a guide to navigation in perilous times. History is who we are and why we are the way we are." - David C McCullough

"You are forgiven for your happiness and your successes only if you generously consent to share them." - William Blake

1. TEN THINGS LEADERS MUST KNOW (PART 1, POINTS 1-5)

1. DIFFERENCES IN PRODUCTIVITY GET STEEPER AS JOB COMPLEXITY INCREASES

Research by Hunter, Schmidt and Judiesch published in the Journal of Applied Psychology in 1990 clearly shows that not all people produce at the same levels. What's most interesting is this: as you make a job more complex, the difference between average performers and top performers widens considerably. In fact, for the most complex jobs, top performers outdo average performers by more than double the output (127%). In contrast, for jobs of low complexity, the top performers outdo average performers by about half as much (52%). So, remember this: getting the right person in the right job makes a big difference. For very simple work, two top performers have the same output as three average performers. For highly complex work, it takes about nine average performers to accomplish what four top people can do. That's a big difference. Remember, our contrast group of workers is not bad: they're average. Bottom level performers are outperformed by top people at an even greater rate. In low complexity jobs, top people do three times what poor performers do. In jobs of high complexity, there's no comparison: low performers can't do the work at all.

2. DISCRETIONARY PRODUCTIVITY

The next idea is one I will convey using numbers, but these numbers are not based on formal research. Here's what I teach clients: people will give an organization about 60% of their energy, passion and talent because that's what the job requires (for a similar review of these ideas, see the brief article at this [link](#)). The other 40% of a person's passion and talent is held in reserve: that's discretionary, to be applied as each person sees fit. People open up these reserves when their work interests them, when they feel cared about and understood by an organization, their coworkers and their bosses, and when they feel they can believe in the work they do (that their work makes a difference).

3. MOTIVATORS AND SATISFIERS

I have always argued that factors driving employee motivation involve a set of "motivators" and "satisfiers." "Satisfiers" are those elements of the employment relationship that connote basic fairness and respect for the employee. These include a fair salary, benefits, working conditions, freedom from harsh or abusive treatment and so on. If an employer does not provide those basics, then no amount of other

factors will make up for the loss. Employees will look for work elsewhere. “Motivators” include those factors that move an employee to feel energetic and passionate about their work. These include feeling understood and valued by a boss, the opportunity to learn and grow, working with a great, high performance team, believing in the mission of an organization and feeling personally valued and challenged by an organization. The interview linked [here](#) and above with author David Sirota (author of this month’s recommended book) makes essentially the same point. The important thing to understand for any leader or organization builder is the difference between working conditions that comprise “satisfiers” and those which function as true “motivators.”

4. A LEADER’S GOAL IS TO GET THAT DISCRETIONARY 40% OF ENERGY AND EFFORT

Okay, you can probably see where this is going. To create a high performing organization that outperforms the competition, leaders must act so as to get that extra 40% of discretionary creativity, energy, dedication and performance from employees. To get that voluntary level of extra productivity, leaders must provide not only for the “satisfiers” implicit in any employment arrangement, but act so as to deserve that extra 40% by touching on employee “motivators.” Average organizations do a haphazard, inconsistent job of tapping employee motivators. Great organizations pick the right leaders and create the right systems to earn, routinely, much or all of that extra 40% of passion and effort. That is what leaders and great organizations are tasked to do: earn that extra performance edge. Moreover, since we know that highly talented people vastly outperform average performers, the extra productivity available for leaders to tap through the right leadership practices is staggering. Most organizations leave a vast amount of productivity on the table through lack of competence, or because they just don’t deserve any extra burst of loyalty, passion and output.

5. MOST OF LEADERSHIP IS ABOUT SELECTION AND PROPER DELEGATION

From all of this, it follows that the first, and perhaps most powerful part of effective leadership comes from properly assessing talent. The right person in the right job, particularly a high performer, makes a huge difference in overall output. Leaders pay lip service to this principle but have a hard time making good decisions about talent because they lack the tools to measure and predict it effectively (this is as true of many human resource executives as it is of line managers and executives). The marketplace of talent assessment tools is rife with weakly researched instruments of questionable real value. Leaders become cynical about any given system because they

experience poor or mixed results with one or two, and then sour on the whole industry. Managers (and most human resource executives) are not trained to understand how the research behind one process makes it more valid than any other. But the first, big point about leadership is this: personnel selection, and delegating the right tasks to the right people, represent the most powerful ways to build a high performance organization. Getting this part right is the first job of any leader. Next month we'll talk more about the job of a leader to deserve and win that extra 40% of energy and talent, but this month's bottom line point is this: personnel selection is job #1 for any leader. Think about the essential point made in item #1 above: getting the right people matters, and getting a high percentage of top performers in any department or any organization can help you run circles around the competition. The breakout success of the book "[Good to Great](#)," a past "What's Up, Doc?" recommendation, makes essentially this same point.

TUNE IN NEXT MONTH FOR KEY POINTS 6-10. . .

Want to have ready access to handy tips to help you negotiate a better salary, a better home price or a better business contract?

"99 Negotiation Nuggets for Winners" offers quick shots of wisdom designed to help you get what you want and need in your life, work and career. This is not a book of theory. It's a book of best practices distilled from many years of experience and from many experts in the field. The information is conveyed in quick bits, the way you might find in any edition of USA Today.

To purchase your copy of "99 Negotiation Nuggets for Winners" at a 10% Discount for "What's Up, Doc?" subscribers, just click [here](#).

2. GINO PICASSO BRINGS NEW TECHNOLOGIES TO MARKET

Here's the [link](#) to another of my recent articles online. This series is dedicated to conversations with interesting, engaging people who make a difference through their work and leadership. Enjoy!

3. RECOMMENDED BOOKS AND ENTERTAINMENT

BOOK: “The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want” by David Sirota, Louis A. Mischkind and Michael Irwin Meltzer; Wharton School Publishing, Philadelphia, PA, 2005.

I have this new release on order, and admit I have not yet read it. But, having read an [interview with the lead author](#), I feel confident this is one of the handful of business books that belongs on your shelf. Longtime subscribers know I am picky about business books: the marketplace is littered with fluff and recycled insights. But this book serves up its ideas with research to back it all up. I love that! Buy the book [here](#).

FILM: “March of the Penguins,” in wide release.

You know, I saw this just before it took off nationally with great word of mouth and a series of primetime commercials to promote it. I have this to add to the [widespread acclaim](#): these animals, as portrayed, are more human than most of the human film characters we see coming from popular Hollywood releases. Here we have the stuff of life: struggle, loyalty, dedication, birth and, yes, death. This is a super family film but may contain elements a little strong for the youngest ones. While the film is uplifting as a whole, it does not shy from showing death and loss, in a way that might be a bit much for the young ones.

4. CHUCKLES

A young doctor had just opened an office and felt really excited. His secretary told him a man was here to see him. The young doctor told her to send him in.

Pretending to be a busy doctor, he picked up the phone just as the man came in. "Yes, that's right. The fee is \$200. Yes, I'll expect you ten past two. Alright. No later. I'm a very busy man."

He hung up and turned to the man waiting. "May I help you?"

"No," said the man, "I just came in to install the phone."

5. PROMOTE YOUR OWN GROWTH

You don't have to live near the Schuler Solutions main office in Alexandria, Virginia to benefit from my coaching services. Great work can be done for your own growth and development over the phone and through document review via email. To find out more about your coaching options and available coaching plans, just click [here](#) now.

6. ABOUT DR. SCHULER

A. J. Schuler, Psy. D., an expert on leadership, negotiation and organizational change, provides consulting services, keynote presentations and seminars for client companies. His trademark is highly personalized service that leads to measurable increases in productivity, profit and growth. He also provides personalized leadership education and coaching for highly motivated clients.

Dr. Schuler, President of Schuler Solutions, Inc., has served diverse organizations in the private and public sectors, including The Ritz-Carlton Hotel Company, Sony Development, Nomura Securities and the Executive Office for Immigration Review.

A graduate of the Wharton School of Business, Dr. Schuler has successfully led the profitable growth of a dynamic, international consulting firm while serving as Operations Director, and has successfully coached over five hundred CEO's and corporate executives.

7. HOW TO SUBSCRIBE OR UNSUBSCRIBE

If this e-Newsletter was forwarded to you and you would like to receive your own FREE subscription, just click [here](#) to become a subscriber. If you believe you have received this message in error, or to remove yourself from this mailing list, just click [here](#) to take your name from the "What's Up, Doc?" distribution list.

8. NEWSLETTER STATEMENT OF ETHICS

NEWSLETTER ETHICS: This e-Newsletter will be sent to subscribers only upon REQUEST, though subscribers may forward this letter to anyone they wish. Subscriber identities or contact information will NOT BE DISCLOSED to any other persons or entities under any circumstances. (An attorney friend recently pointed out that, technically, I'd have to give up my list if compelled to do so by a court of law. He's technically right, of course, but let's face it: that won't happen!)

Have a great month. . .

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Schuler Solutions, Inc.

"I work with leaders who want to grow their businesses, and with meeting professionals who want to create great events for their audiences."

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"Make each day your masterpiece." -- John Wooden

P.S. - Remember to send in your comments and successes, and to forward this newsletter to at least one friend! Thanks . . . AJS