

# The Competitive Advantage

## P Squared Management Consulting

*Maximizing the Synergy of People and Process Improvement*



### **The Competitive Advantage Notes from the Editor ...**

As this is the first issue of *The Competitive Advantage* since the tragic events of September 11, all of the employees of P Squared Consulting would like to offer our most sincere sympathy to any of our readers who were affected by the tragedy. We also want to offer our warmest thanks to all of you who are in some way supporting the recovery effort.

We also want to thank all of our readers for making the inaugural issue of *The Competitive Advantage* a success! We received a significant number of positive comments about the content and many of you asked that others within your company be added to the distribution list. Our success is directly related to your valuable input - keep it coming!

In this issue, we will use as a theme the motivators highlighted in the spotlight article this month (*see page 2*) - most notably employee development.

Training and developing employees is a critical factor for employee satisfaction and retention. Many companies view training as an expense - not an investment. And feeling that the expense doesn't justify the results, many companies give employees

just the basics from OJT applied by fellow employees who were never properly trained themselves. This can result in costly mistakes, unhappy workers and low productivity. So in this issue, we will investigate the benefits and value of this all important aspect of investing in your human capital.

Jan Barnett, Editor, *The Competitive Advantage*



### **Tips to Simplify Your Life....**

#### **How to Say No**

We say "yes" to others because we want to please them. But when eventually we can't continue, we let them down and we feel guilty. Both parties suffer. Recognize that a desire to please often prevents us from saying no.

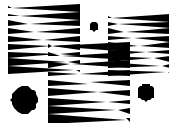
Stick to your plan. If you have a written set of goals and strategies, this gives you a reason to stick to your course. ("Thanks but I already have an investment plan, so you don't need to send me a newsletter about stocks.") When someone persists, repeat your position, perhaps in a slightly different way. ("As I already said, our policy is to donate to charities that help children only.")

Make sure you understand exactly what is being asked of you before you respond. Perhaps the task is more time consuming than you thought. On the other hand, it may not take much effort at all.

Excel at just a few things, rather than being just average at many. Don't try to do everything.

You have a right to say no. Remember that others may take you for granted and even lose respect for you if you don't.

Be polite, but firm in saying no. You only build false hopes with wishy-washy responses. For instance, the phrase "I'll try to be there" in response to a party invitation is giving yourself an excuse to avoid a commitment. It doesn't do anyone any favors.



#### **Inside this issue....**

Notes from the Editor	1
Tips to Simplify Your Life	1
Spotlight Article	2
A Case Study	4
The Path to Leadership	5
Web Site of the Quarter	6
Synergy Snapshots	6
P <sup>2</sup> Focus on Training	6

## Tips to Simplify Your Life, cont'd

When a superior asks you to do a new urgent task:

- Remind him/her that you are working on other projects that s/he has already identified as top priority.
- Ask for help in deciding where the new task should fall on the list of priorities.
- Ask "What would you like to give up in order for me to do this?"
- Point out that you might be able to do everything, but not to the usual high standards that are expected.

Some experts recommend keeping your answer short. This way, you can say no without feeling the need for lengthy justification. (I'm sorry, I'm not available that night.") On the other hand, others say that giving a longer answer with reasons reinforces your credibility. Let the situation decide.

Provide suggestions or alternatives to the person who is asking. ("I can't do that task today, but how about next week" or "How about asking John instead?")

When in doubt, it's easier to say no now, then change your mind to a yes later, rather than the other way around.

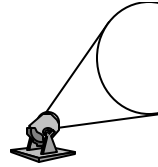
### When You Have To Say Yes

Sometimes, saying no is simply unavoidable. Here are some techniques to use:

- Tell the person you can agree to their request this time, but ask how the two of you might plan better for the next time.
- Tell them yes, but remind them they owe you one. For example, they might cover you for a shift next time you need time off.
- Tell them yes, but take control by saying you'll come back to them with a timetable. For instance, say "I expect I'll be able to do that for you by the end of the week."
- Put a tough condition on your agreement. "If it would only take an hour, I'd be able to help, but I can't give you more than that."

Source: Pace Productivity, Inc. 350 Sunnyside Avenue, Toronto, Canada, M6R 2R6

***It is a simple thing to make things complex...  
but a complex task to make them simple.***



## Spotlight Article .... *Motivate Your Employees and Increase Your Productivity*

*This article is the second excerpt of a published paper written by Scott Playfair, President, P Squared Consulting.*

In the last issue of *The Competitive Advantage*, we spotlighted the first of a four article series dealing with employee motivation and its impact on productivity. In this second article of the series, we will first offer a brief review of the significant points from our first article and then continue with the discussion.

One of the greatest challenges in today's rapidly changing and intensely competitive business environment is balancing the three critical factors essential for business survival and success: People, Processes, and Technology.

The people element is often the most neglected of these three critical success factors. However, *people* represent a company's only true competitive advantage. It is critical to understand how to motivate your human capital (your people) in order for a business to prosper.

Seven key human needs must be fulfilled for a business to leverage its human capital.

1. Basic Survival
2. Empowerment / Freedom to Act
3. Variety
4. Feedback and Positive Reinforcement
5. Wholeness and Meaning
6. A Team-Based Environment
7. Room to Grow and Succeed

The first need, basic survival, is a "satisfier". It is a need that must be fulfilled before all others. It consists of fair and adequate pay, job security, benefits, and health and safety. Satisfiers are factors external to the job that do not motivate but their absence can demotivate. In general, most people employed by an organization have their basic survival needs met.

The remaining needs represent needs that are called "motivators". Once the "satisfiers" are fulfilled, people look to fulfill higher level needs that motivate them. Fulfillment of motivational needs is critical to organizational success. There are two types of motivators: Optimal and Maximal.

## Spotlight Article, cont'd

*Empowerment, variety, and feedback* represent "optimal" motivators. These are needs that must be optimally met because too much can be as bad as too little.

*Wholeness, a team-based environment, and room to grow* represent "maximal" motivators. Employees cannot get too much of these (the more the better).

Let's now review the "satisfier" and "optimal motivators" needs in detail, outlining what must be done to optimize it in the work environment.

### Basic Survival

As indicated above, basic survival is comprised of needs that must be satisfied above all others and is consequently a "satisfier". Put in terms of the work environment, basic survival includes:

- Fair and adequate pay
- Job security
- Benefits
- Health and safety

These satisfiers are factors external to the actual job function. They must be fulfilled at a minimum and they do not motivate. However, their absence causes all-consuming demotivation.

A general assumption for most gainfully employed people is that these survival needs have been met. This does not mean that they are perfect; they rarely are to the employee. It does mean that the employee is not totally consumed by their absence or inadequacy.

The remaining six key needs do, however, provide the essential characteristics to create an environment for true employee motivation.

### Empowerment / Freedom to Act

Empowerment or freedom to act involves giving employees adequate space to make their own decisions. It means they have control over the management of time, materials, pace, and relations with others.

People are intimately aware of their roles and responsibilities in the organization. They understand their work processes better than anyone else could. When employees are empowered to manage and improve those processes, they will always step up to the plate and do the right thing. The critical factor is

that employees are given the authority to manage their jobs. With authority comes immense personal responsibility to perform.

In a supportive environment, people are given the authority to set their own goals, objectives, and action plans. This gives the employees the feeling that they are trusted to manage their own jobs for optimum results. The outcome is a sense of job / goal ownership. The results generated are far beyond anything management could demand or dictate to their employees.

Empowerment can be enhanced through proper skill training, especially in the area of process improvement. The empowerment of people and teams working on customer-focused process improvement creates an incredible synergy. This synergy feeds upon itself, ever increasing, to create unparalleled excitement, motivation and passion, which leads to exceptional performance.

It takes true leaders to loosen the reins and see how far and fast the horse can carry them!

*Have you tried to untap your workforce's potential through empowerment? The results and payback are sure to pleasantly surprise you!*

### Variety

Variety must be created to hold interest and drive performance. However, it should not become so high as to create anxiety, confusion or overwork. This issue supports the age-old adage that "variety is the spice of life." When variety is lacking, it leads to complacency. Complacency generates boredom, unhappiness, and under achievement. This leads to a multitude of unhealthy business results. If variety is essential to a vibrant and healthy life, it should come as no surprise that it is also critical to a positive work life.

Variety can take many forms, from different direct work assignments to diversion via participation on an ad hoc "project team". A project team might have the task of coming together to rapidly improve a process or solve a problem. This requires the involvement of appropriate subject matter experts who may not normally work together.

Variety has an interesting side effect. It can broaden employee knowledge and interaction, which increases interest and communication. People feel better and more informed about what they are doing. They want to know more and do more. In essence,

## Spotlight Article, cont'd

variety gives the employee a heightened sense of contribution, self worth, and personal pride. This naturally generates improved personal confidence, which leads to increased motivation and contribution. People enjoy their work and look forward to getting out of bed in the morning. After all, if people enjoy what they do, they will never "work" a day in their lives.

*Have you tried to give your employees greater job variety – and generate these side benefits for your company?*

- Cross training
- Team based process improvement
- Absentee backup/coverage
- Broadening of workforce knowledge and effectiveness

### Feedback and Positive Reinforcement

This one factor is the most underused and yet most powerful method to motivate a workforce. Interestingly enough, it is also the easiest and most inexpensive to implement. All it typically takes is a little time and effort.

When Napoleon was asked how he was able to motivate his men to be so courageous and spirited in battle, he replied, *"I have come to realize an amazing fact... men will die for ribbons."* Today "ribbons" can take many forms, some physical and some mental. There are many ways to give constructive feedback and simultaneously provide positive reinforcement and recognition.

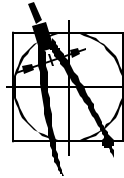
Any feedback must be genuine in nature and intent. Therefore, it will contain both good and bad. Why not correct the negative but dwell on the positive? As Tom Peters says, *"Celebrate what you want to see more of."* As time passes and good behavior is positively reinforced, it will become dominant, and you will see much more of it. Naturally, this leaves less and less time for negative behavior.

The return generated from positive reinforcement is huge! In most cases, all it takes is a few minutes of focused time. That time can be made much more effective with a few proven methods and tools supported by a consistent strategy. It truly generates a "win-win" scenario for everyone in the organization.

*When was the last time you celebrated a job well done at your company – and how many have been missed? Isn't the small time investment for positive recognition*

*worth the huge return it can generate? Catch people doing something "RIGHT"!*

Next newsletter issue, we will examine the "maximal motivators" in greater detail. ...For a copy of the complete article, **"Seven Proven Ways to Drastically Increase Workforce Productivity in 3 to 6 Months"**, please contact P Squared Consulting.



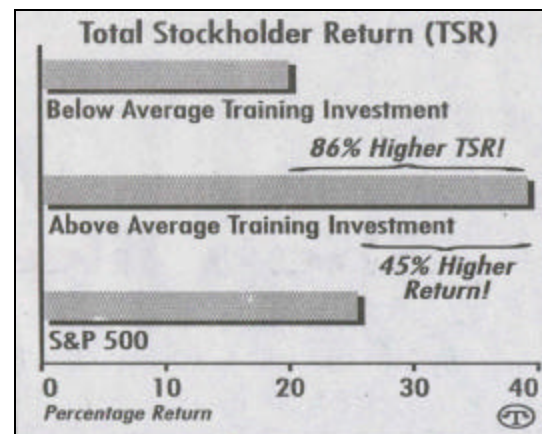
### A Case Study .... Investing in employee training pays dividends

A growing body of research indicates that investing in employee training pays off.

After a major study of training practices and outcomes of 575 U.S. based publicly traded firms during 1996, 1997 and 1998, the American Society for Training & Development (ASTD) found that companies who invested \$680 more in training per employee than the average company in the study improved their Total Stockholder Return (TSR) the next year by six percentage points (even after considering other factors).

Researchers for ASTD also found a similar pattern when examining a company's gross profit margin and income per employee.

Firms in the top quarter of the group studied spent an average of \$1,595 per employee and posted 24 percent higher gross profit margins. The average company income generated per employee was 218 percent higher when compared to the firms in the bottom quarter of the study group, who spent an average of \$128 per employee on training.



*A study suggests that companies that invest in employee training programs are a sound investment.*

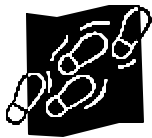
## A Case Study, cont'd

According to Mark Van Buren, ASTD's Research Director, "It is clear that a firm's commitment to workplace learning is directly linked to its bottom line and investors, Wall Street and financial analysts, should pay attention." If investors can learn about a company's training expenditures, he adds, they may be able to see above average earnings. Van Buren urged that accounting and reporting standards be revised to reflect the new understanding that training is an investment from which everyone benefits.

Van Buren also cited the example of Sears, Roebuck & Company where career advancement and training opportunities for associates consistently rank as key predictors of employee satisfaction.

Another ASTD study has shown that training and development programs have become among the most important benefits organizations can offer to attract and retain talented employees.

Source: American Society for Training & Development



### The Path to Leadership...

In any discussion of leadership, it is almost inevitable that we find ourselves thinking in terms of formal leadership. However, formal leadership is the outgrowth of your ability to master the art of self leadership; that is, "the ability to establish a specific direction for your own life, and to proceed in that direction with the self-confidence that comes only to one who knows where he or she is going." Leadership of others begins with leadership of self. It begins with figuring out who you are and what gives your life value and meaning.

In order to determine how to get where you want to go, first establish where you are now. Everyone has the potential to excel. Few will ever understand the process or feel the thrill of becoming the best they can be.

Proof that the "average" person has innate leadership qualities often surfaces during emergencies. Disasters such as fires, floods and auto mishaps produce heroes. Until faced with clear-cut alternatives of life or death, one rarely feels the surge of internal motivation that accompanies singleness of purpose. It's that definite purpose that allows an individual to perform in the face of danger, and move steadily toward the noble task of saving a human life.

The ability to exercise leadership is evident in more routine encounters, too. Within a group of friends, in the home or on the job, effective leaders are found everywhere. They inspire others and bring out the best in people.

It becomes clear that the opportunity for leadership responsibility, no matter how informal, will be cast upon you at one time or another. Your ability to develop self-leadership qualities will determine how well you perform when thrust into the role of formal leadership.

At a recent Society for HR Managers meeting, retired General Norman Schwarzkopf spoke on leadership: *"Everyone can be a leader by following two rules:*

1. *When called upon to lead - take charge.*
2. *Be willing to do what's right - exhibit character.*

*(Character: moral or ethical strength)"*

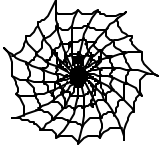
While everyone exercises leadership to some degree, few have taken the time to expand their potential to its fullest. The future of business and our success as a society will be determined by the quality and effectiveness of our leaders.

For those fortunate to gain leadership knowledge, yet another roadblock arises: gaining experience through doing. If you decided to become an accomplished pianist, you could memorize music from a book. However, until you sit down and start to practice, you will never experience the opportunity to make mistakes and learn from them. Nor will you feel the thrill of working toward and achieving your goals. Thus, instead of fearing your mistakes, you would expect them. This is a part of learning that will steer you quickly toward a flawless performance.

And so it is with leadership. To become more effective, you must practice your leadership skills. Begin with the daily opportunities you have for self leadership. If you are reluctant to practice for fear of making mistakes, you'll stop short of the very experiences that will insure your ultimate success. Life is your grand piano. You can write and perform your own composition until your musical score produces a melody that commands the attention of all who listen to you. The alternative is to sit and stare at the piano, waiting for someone else to play a tune you hope you will enjoy.

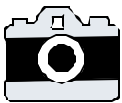
The choice is yours.

Excerpt taken from "Leadership" and reprinted with permission by Resource Associates Corporation, 31 Hickory Road, Mohnton, PA 19540



### Web Site of the Quarter....

**Allexperts.com** provides a live human response from an expert in the field. Ask a question and you'll get an answer, by email, from one of the volunteer brains-in-residence here - art buffs, computer whizzes, travel experts, and auto-repair specialists, among others. They might not be able to explain man's inhumanity to man, but they can probably offer some wisdom about your Toyota's braking problem.



### Synergy Snapshots....

Never let success go to your head...never let failure go to your heart.... *Phil Jackson*

Hiding your head in the sand isn't the best way to hold your end up....*Anonymous*

Few people ever drop dead from overwork, but many quietly curl up and die because of under-satisfaction....*Sydney Harris*

I don't know if a positive attitude works every time, but a negative one sure does....*Anonymous*

Real leaders are ordinary people with extraordinary determination....*Anonymous*

***Reinvent the passion for your job.***



### A Focus on Training

P Squared (P<sup>2</sup>) is a nationally known management consulting and human resource/ organizational development firm based in Houston, Texas. In our last issue, we reviewed the many areas of expertise that are represented by our company. This issue, we want to focus on how we can help you with your training and development needs.

As you might conclude from our series on *The Path to Leadership*, P<sup>2</sup> is a leading expert in the area of powerful, goal oriented leadership training for employees throughout your organization - executives, middle managers, first line supervisors - **everyone**. The course material was carefully researched and is the best on the market for content, application based skills development, and learning retention - all focused at providing you the best return on your investment of valuable training dollars.

If you have been considering providing training and want to explore the best, contact P<sup>2</sup> and let us provide you with the way to empower your people and develop the skills and attitudes necessary to achieve a higher degree of personal and professional success. And to sustain true .....***Competitive Advantage!***

**We look forward to hearing from you soon!**

....*Scott Playfair, President*

*Jan Barnett, Director, Sales & Marketing*

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