

IMPROVING PERFORMANCE BY RECOGNIZING POTENTIAL



ou bring on a new employee. You provide training—knowing there will be a learning curve. And you watch with anticipation for that moment when the person moves beyond the learning stage and into the fully productive superstar you hope you've hired. But what happens when that learning curve just flatlines into mediocrity? It turns out that all hope may not be lost. As Akira Onoda, General Manager of the Personnel Department for

BMW Tokyo, the largest BMW dealer in the world, would tell you, "I discovered that some mediocre performers actually have the untapped potential to be highly successful. But you first need to recognize the signs.

"In the past," he explains, "we looked only at the end result to decide if someone was a strong employee. We did not consider the reasons behind their performance. But when we began focusing on Caliper's in-depth insights about each employee's potential, we gained much more information, and realized we could use this to alter the results we had been getting."

Knowing what motivates your employees, as well as knowing what holds them back, can have a considerable impact on increasing productivity. Onoda experienced this first-hand.

"Caliper's consultants identified one individual as having high potential, but you couldn't tell that from his performance. He was persuasive and assertive, but he also needed direction and recognition. He wasn't getting those things from his manager. We decided to transfer him to another branch with a different manager and his performance has improved a great deal. In another case, we had a salesperson who wasn't doing well in our new vehicle sales department. His particular sales style wasn't working with new car sales. So we moved him to used car sales, and found the salesperson was more responsive to and comfortable with the needs of our clientele in the used car department. He is now showing top class performance because his style is exactly what the customers are looking for."

Recognizing hidden potential can be a great asset for management. Someone who is not performing in one position may excel when put into a role where the responsibilities—and the manager—match his or her abilities and style. And this can, in some cases, eliminate needless time and money spent on recruiting and hiring new people.

Of course, not everyone is a diamond in the rough. Sometimes people are just in the wrong role altogether. One way BMW tackled this dilemma was to change their incentive and bonus system. "The income difference between top and bottom performers used to be two to three times, but with the changes in our incentive plan, now it's twenty times," explains Onoda. "Accordingly, the top gets more and the bottom gets much less. So our message is clear. Our salespeople recognize if they cannot perform well, they should go." Essentially, the poor performers eliminate themselves. The best know what they need to do. And one of the most important jobs for a manager becomes trying to help those in the middle reach their full potential.

Onoda adds, "The insights our managers have gained into existing employees' motivations, strengths and limitations have also been invaluable for hiring new employees." By thoroughly understanding what it takes to succeed in their dealership, management has been able to redefine and develop job descriptions for all key positions, as well as create benchmarks to help them hire people who possess the qualities needed to perform exceptionally well at BMW.

Onoda concludes, "Traditionally, we were hiring based on the applicant's experience and our instinct—but we could not really predict performance. Because we've now learned to think in terms of behaviors and motivation, we can have more productive hiring interviews. Branch managers are using Caliper's insights to build effective teams when they hire someone new—to see which group that person will best fit with, or who will be the person's coach or mentor. And both managers and salespeople have been requesting feedback on themselves so they can become even better. Ultimately, we are improving performance by becoming more aware of our strengths as managers, our areas for improvement, and the real potential of each of our employees." ■

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