

Jennifer Hock, M.S.S.L.
Leadership Specialist
Patterson Veterinary
(O) 719.247.9931
(M) 281.825.8311
jennifer.hock@pattersonvet.com

Developing Human Capital: The Ultimate Leadership Challenge

Human capital is often defined as the collective skills and knowledge that individuals possess that create economic value for an employer. Human capital has emerged as a means to competitive advantages for organizations. Obtaining and developing human capital has become an important dynamic capability and important business strategy. Veterinary medicine is no exception. We know that a well-developed and high performing team is the most valuable asset to a veterinary practice. This industry is relational and the success of a veterinary practice is contingent on the team's ability to create, foster and grow relationships.

Creating a Culture of Accountability

Merriam-Webster Dictionary defines "accountability" as "subject to having to report, explain or justify; being answerable, responsible." Notice how the definition begins with the words "subject to," implying negativity in the matter. Accountability is often viewed as a consequence for poor performance or poor behavior when it should be celebrated and should be woven into the DNA of an organizations culture so that it's as natural as breathing. Consider the following new definition of accountability: ***rising above one's circumstances to demonstrate the ownership necessary for achieving goals and exceeding expectations.***

Perhaps one of the most difficult challenges in managing a veterinary practice is to foster a culture that not only incorporates accountability but also celebrates it. The ugly truth is that many times the lack of accountability is the leaders fault as much as it is our employees. We have not created an environment where accountability is a core competency skill, regardless of position within the practice.

In order to create a culture of accountability we have to change the way we evaluate our team members. Performance evaluations should be broken into three categories that I like to call *performance factors*: **demonstrated ethics, performance within the job description and ability to work within a team environment.** All three of these performance factors are equal in weight in accountability when evaluating one's overall performance in your practice. This needs to be an all or nothing proposition in your practice. Failure in one of these performance factors creates an imbalance in the value potential of the employee and ultimately the team.

Demonstrated Ethics: When considering ethics (work ethic), it is more than just getting to work on time. Although this is hugely important, it's only part of the ethics story. What we are looking for is behavior that demonstrates the *virtues of ethics*. By including these virtues in the overall performance evaluation, you are setting the expectation for appropriate behavior in the practice.

- Honesty – Is this employee honest in his or her dealings with you, other staff members and clients? Does integrity seem to be an important and intrinsic value for your employee(s)?
- Independence – Does your employee accept his or her responsibility in their role within the practice?
- Attitude – Does your employee(s) show up to work with the right attitude every day?
- Justice – Does your employee(s) have a sense of right and wrong and demonstrate respectfulness of others?

These virtues of ethics are related to one's character. In creating a culture of accountability it is helpful to have a staff of individuals who hold themselves accountable on a fundamental level.

Performance within the job description – Let's be clear on this, just showing up for work day after day does not constitute a good performance. We often mistake loyalty for performance and then end with enough dead weight in the practice to sink the Titanic. Years ago I had a technician ask for a raise. I asked him what have you done to earn one? He said, "Well, I show up everyday and never call in sick". This is a *Demonstrated Ethics factor* not a *Performance factor*. The point here is that your employee(s) needs to take responsibility for their own professional development. If you have an employee that is performing at the exact same level they were three years ago, why would it be appropriate to continue to give raises? When you evaluate performance within their job description be clear that merit increases are based on their initiative to improve their skills using any and all resources available to them. What are we doing? We are holding them accountable. Our job as managers and owners is to be sure we provide opportunities throughout the year for staff to sharpen their skills whether it is technical skills or client service skills. Always remember that merit increases should be earned.

Ability to work within a team environment – In last month's article we talked about the importance of collaborative capacity, the practice's ability to work together as a team. Veterinary medicine is a team activity and any one person's inability to work in a team setting is a threat to the practice culture and overall effectiveness. When evaluating an employee's contribution to the team, consider the following questions:

- Does your employee(s) demonstrate behavior that breaks down the team, such as gossip, selfishness, lack of respect, lack of common courtesy, etc...?

- Is your employee(s) willing to teach what they know or willing to learn from others? Shared knowledge within the team not only makes the team stronger but also smarter.
- Is your employee(s) willing to sacrifice self for the sake of the whole team?

Up to this point, this might feel more like a “how to” in performance evaluations rather than creating a culture of accountability but I assure you they are distinctly related. Earlier I mentioned that all three performance factors (demonstrated ethics, performance within the job description and ability to work in a team environment) should be equal in weight and an all or nothing proposition in the practice. This means if an employee is struggling in one area then we need to concentrate their continuing education in that particular area and help them. If there is no improvement after coaching and training, then ultimately that employee(s) needs to be let go. If you are to have a successful and healthy culture of accountability then there can be no exceptions. If you have an employee that is great at their job performance but constantly demonstrates behavior that breaks down the team, they must go. If an employee shows up everyday with a great attitude and on time but cannot perform at the level they need to be in their job, they must go.

The culture you will create is one of accountability through ownership. Your team will feel responsible for their behavior as well as their work. An added benefit is that your team will begin to hold each other accountable because each knows the importance and significance of their role as individuals and as members of a team. Ultimately, leaders build a culture of accountability by making sure employees know exactly what is expected of them and then follow up to ensure that employees perform according to those expectations.

Creating Leaders Among Followers

As leaders it is important to realize employee value potential and how this process creates leaders among followers. Employee value potential simplified is:

$$\textbf{\underline{Current Performance + Future Potential = Employee Value Potential}}$$

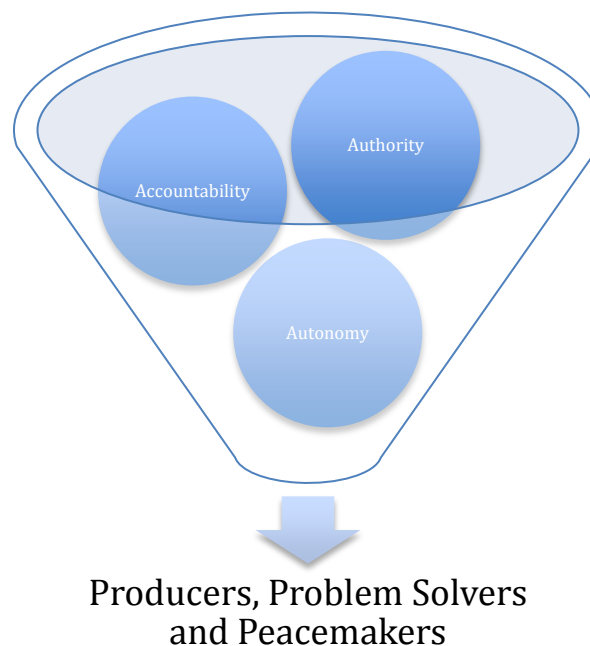
The challenge for leaders is that we tend to get stuck in current performance and do not create the space for employees to grow into their future potential. Creating space to foster future potential is about giving people the authority to do their job to the best of their creative ability. We tend to stifle creativity and growth potential by micro-managing our employees'. It was Teddy Roosevelt who said, “The best executive is one who has sense enough to pick good people to do what he wants done, and self-restraint enough to keep from meddling with them while they do it.” Although the concept seems simple enough, very few are unable to restrain from

“meddling” with their people while they try to accomplish what it is they have been hired to do.

Our goal as leaders is to have every employee lead from where they are. Leading from where you are means employees take ownership of their job regardless of position and to use the authority we give them to creatively, efficiently and effectively perform. This in turn creates leaders among followers in your practice while simultaneously allows for future potential.

Effective leadership starts with one simple belief, that together greatness can be achieved. No one reaches greatness without the hard work and commitment of other people. To enlist and engage others towards success, a leader must be willing to allow people the freedom to choose their path. Freedom comes when leaders quit “meddling” as Roosevelt indicated and leaders empower followers to claim their own stake in organizational success. This can be achieved by understanding a simple formula:

3 A's = 3 P's



Authority – Empower your employees and let them have the authority to be high performers without meddling. Let your employee’s take ownership of their position and responsibilities. Do not micro manage but instead allow space for their future potential as mentioned earlier.

Accountability – Whenever we give authority it is essential that we hold them accountable as well. Remember the new definition of accountability from last month's article? *Rising above one's circumstances to demonstrate the ownership necessary for achieving goals and exceeding expectations.* Continually follow up with employees who have been empowered. Authority without accountability is dangerous.

Autonomy – Once you have given employees authority and are holding them accountable, back away and allow for autonomy. Allowing employees autonomy and flexibility to choose their methods of completing tasks ultimately increases work output and employee commitment. Remember the goal is to allow freedom in choosing their path. For example, if you ask an employee to deliver over-the-top exceptional client service, do not tell them *how* to achieve this but rather allow them creativity and to independently deliver.

The combination of giving authority (empowering) while actively holding them accountable to that authority gives employees the means and tools to produce, solve complex problems and increase collaborative capacity (working as a team). The autonomy piece simply allows employee's to claim his or her own stake in the practices' overall success (their contribution). These 3 A's yield 3 P's :

Producers – At the end of the day empowered people produce. Productivity is the single most important measure of success for a leader. Give your employees the authority to be producers.

Problem Solvers – When employees are empowered they find workable and reconcilable solutions to problems you may not know you had.

Peacemakers – When employees are held accountable they navigate through their inherited situation and become more interested in serving others. Their focus becomes entrenched on building a sense of community rather than a hierarchy. This invariably creates an environment of collaboration and altruism. Employees become peacemakers.

Although phenomenological in nature, this formula when placed into action will significantly increase people's belief in their own ability to make a difference. This is a powerful weapon in your management/leadership arsenal. When your employees know they have the power and authority to make a difference they instinctively take on a leadership mindset. This is how to create leaders among followers. Additionally, this formula helps support your leadership initiatives in obtaining, retaining and developing talent as well as supporting a culture of accountability.