Dick Grote was head of the corporate training and development in a company producing potato chips. All workers in the company were frustrated, angry and bitter. In 9 months 58 out of 210 employees were fired for discipline reasons. Supervisors spend most of their time writing up troublemakers. There was a real enthusiasm for punishment. Dick Grote realized that the harsh discipline system of warnings, reprimands and dismissals was in fact creating problems instead of solving them. The create a new system called ‘Discipline without punishment’ which transformed within 2 years the plant.

The traditional progressive discipline system works with progressively worse punishment, identical to the criminal justice system.

- Informal transactions: coaching and counseling
- Formal disciplinary transactions:  
  1. Verbal reprimand  
  2. Written warning  
  3. Suspension without pay / probation / final warning  
  4. Termination

In the Discipline without Punishment we treat employees as responsible people. Gap between performance and job expectations are explained by the managers.

- Informal transactions: positive contact / coaching sessions

- Formal disciplinary transactions:  
  1. Oral reminder  
  2. Written reminder  
  3. Decision-making leave

- Termination

The difference is that the traditional method is seen by managers as a mechanism to dismiss people, the new method as a system to save employees.

In the past managers were focused on correcting poor performance, now on recognizing good performance and correcting bad performance.

People getting no feedback, stop doing things eventually; people doing something with negative result will quickly stop doing it; people doing something with positive result will repeat it. Be aware that you should recognize good performance but also withhold recognition for below-average performance.

Some great ways to recognize employees are:

- A quick thank-you note
- A memo to your boss about the employees accomplishment with copy to employee
- Introduce employee to a visitor and explain his contribution to the company’s success
• Buy coffee or take him out for lunch

Traditionally we pay attention to above-average performers or poor performers but rarely to the employees with an acceptable and competent performance.
If you want to raise productivity, you have to start praising the vast, conscientious majority of your employees.

Characteristics for effective recognition:

• Do it often
• Do it swiftly
• Praise individuals, not teams
• Do it proportionately
• Tailor it
• Think small

If a manager faces poor performance he should first discuss informally with the employee. See it as a positive contact phase. Explain the standard level of performance and pinpoint for the employee were they are falling short. Be as specific as possible. Be ready to accept that it is not always their fault, something can prevent them from executing properly.
There are 2 things that cause poor performance: deficiency in knowledge or deficiency in execution.

The next step is coaching. But managers very often mistake casual, unplanned discussions as coaching sessions.
Plan and prepare your coaching sessions:
• Define the problem category (attendance, performance or conduct)
• Set concrete dates

• Be clear for yourself on the expected performance and the actual performance
• Have some good business reasons why the problem should be solved
• Have a list of consequences if the problem is not solved

The authors describe the case of the Tardy Employee.

Sometimes the coaching or disciplinary meetings don’t work. Inevitably you have to go to the ‘Decision-making leave’. You suspend the employee for one day, with pay to give them time to think about how to solve the problem and to commit themselves.
When the employee returns most of them will be ready for change. Be careful, ask concrete commitment to acceptable performance and warn him clearly that any disciplinary problem in the future will lead to termination.

If you have to go to dismissal this means that you have someway failed.

Basic rules to keep in mind for a dismissal meeting are:

• Get right to the point.
• Don’t be brutal. Focus on the problem.
• When the employee reacts, don’t argue.
• Keep it short.

One last advice: choose your moment carefully and ask the employee to leave the premises immediately.