

Username: Timothy Roberts **Book:** Performance Management, Second Edition. No part of any chapter or book may be reproduced or transmitted in any form by any means without the prior written permission for reprints and excerpts from the publisher of the book or chapter. Redistribution or other use that violates the fair use privilege under U.S. copyright laws (see 17 USC107) or that otherwise violates these Terms of Service is strictly prohibited. Violators will be prosecuted to the full extent of U.S. Federal and Massachusetts laws.

Case Study 9-1 WAS ROBERT EATON A GOOD COACH?*

Robert Eaton was CEO and chairman of Chrysler from 1993 to 1998, replacing Lee Iacocca, who retired after serving in this capacity since 1978. Eaton then served as cochairman of the newly merged DaimlerChrysler organization from 1998 to 2000. With 362,100 employees, DaimlerChrysler achieved revenues of EUR 136.4 billion in 2003. DaimlerChrysler's passenger car brands include Maybach, Mercedes-Benz, Chrysler, Jeep, Dodge, and Smart. Commercial vehicle brands include Mercedes-Benz, Freightliner, Sterling, Western Star, and Setra.

From the beginning of his tenure as CEO, Eaton communicated with the people under him. He immediately shared his plans for the future with his top four executives and then took the advice of his colleague, Bob Lutz, to look around the company before making any hasty decisions concerning the state of affairs at Chrysler. Eaton and Lutz ascertained that Chrysler was employing the right staff and that they did not need to hire new people; they just had to lead them in a different manner, in a more participative style.

Eaton listened to everyone in the organization, including executives, suppliers, and assembly-line workers, to determine how to help the company succeed. Eaton also encouraged the employees at Chrysler to talk with one another. The atmosphere of collaboration and open-door communication between Eaton and Lutz (the two men sat across the hall from one another and never closed their doors) permeated the entire organization. Eaton and Lutz's walk-around management style indicated to employees that they were committed to and engaged in the organization. Furthermore, Eaton and Lutz held meetings with their executive team on a regular basis to exchange ideas and information from all areas of the organization.

Eaton even reorganized the manner in which Chrysler designed cars based on a study, previously disregarded by Iacocca, that indicated that Chrysler needed to be more flexible and its executives needed to be in constant communication with the product design team. One employee was quoted as

saying, "Bob Eaton does not shoot the messenger when he hears something he doesn't like or understand. He knows that not every idea is right. But Bob is off-the-wall himself. . . . He'll say something, and we'll tell him that it's a crazy idea. . . . He may not change his mind in the end, but he'll spend the time explaining to you what is behind his thought processes. Do you know what kind of confidence that inspires?" This type of open communication at the top proved extremely successful, as summed up by one designer: "It's a system that recognizes talent early and rewards it, and that creates a sense of enthusiasm for your work, and a sense of mission."

Another program that Eaton describes as empowering employees at Chrysler includes requiring all employees, including executives, to participate in the process of building a new vehicle. Eaton explains that this shows all of the employees in the plant that executives are concerned about the proper functioning of new cars, and it gives executives the opportunity to understand and solve problems at the factory level. Eaton states, "When we're done with our discussions, these guys know where we want to go and how we want to get there, and they go back and put the action plans together to do that. This goes for every single thing we do." He concludes, "Clearly at a company there has to be a shared vision, but we try to teach people to be a leader in their own area, to know where the company wants to go, to know how that affects their area, to benchmark the best in the world and then set goals and programs to go after it. We also encourage people not only to go after the business plan objectives, but to have stretch goals. And a stretch goal by definition is a fifty-percent increase. . . . If we go after fifty percent, something dramatic has to happen. You have to go outside of the box."

Based on the above description, please evaluate Bob Eaton's coaching skills using the accompanying table. If a certain coaching behavior or function is missing, please provide recommendations about what he could have done more effectively. ■

*Based on information provided by M. Puris, *Comeback: How Seven Straight-Shooting CEOs Turned Around Troubled Companies* (New York: Times Books, 1999) 80–118, Specifically chap. 4, "Robert Eaton and Robert Lutz; The Copilots."

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234 PART III ♦ Employee Development

<i>Major Functions</i>	<i>Present? (Y/N)</i>	<i>Comments/Recommendations</i>
Give advice Provide guidance Give support Give confidence Promote greater competence		
<i>Key Behaviors</i>	<i>Present? (Y/N)</i>	<i>Comments/Recommendations</i>
Establish development objectives Communicate effectively Motivate employees Document performance Give feedback Diagnose performance problems Develop employees		

Case Study 9-2 WHAT IS YOUR COACHING STYLE? **

Below are 15 rows of four words each. From each row, select and circle two words out of the four that best describe the way you see yourself. If all four words sound like you, select the two that are

most like you. If none of the four sounds like you, select the two that are closest to the way you are. Then, total the number of words selected under each respective column.

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
1	All-business	Bold	Personable	Deliberate
2	Organized Listening	Telling	Courteous	Listening
3	Industrious	Independent	Companionable	Cooperative
4	No-nonsense	Decisive	Talkative	Reflective
5	Serious	Determined	Warm	Careful
6	To-the-point	Risk-taker	Amiable	Moderate
7	Practical	Aggressive	Empathetic	Nonassertive
8	Self-controlled	Authoritative	Shows emotions	Thorough
9	Goal-directed	Assertive	Friendly	Patient
10	Methodical	Unhesitating	Sincere	Prudent
11	Businesslike	Definite	Sociable	Precise
12	Diligent	Firm	Demonstrative	Particular
13	Systematic	Strong-minded	Sense of humor	Thinking
14	Formal	Confident	Expressive	Hesitative
15	Persevering	Forceful	Trusting	Restrained
<i>Total</i>				

**Coaching Guides. Available online at http://www.specialolympics.org/Special+Olympics+Public+Website/English/Coach/Coaching_Guides/Principles+of+Coaching/Developing+a+Picture+of+Your+Style.htm. Retrieved March 14, 2007.