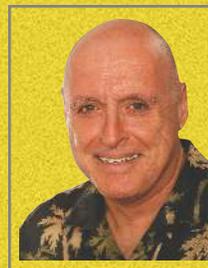


THE EXTRA POINT

BY JERRY ROBERTS



873 Can You Handle the Truth?

Question. If I worked for you, how honest could I be in my evaluation of your performance? Yes, I work for you, and I would evaluate your performance. I'm Jerry Roberts, and this whole thing is going to make some people crazy, next, on The Extra Point.

Ray Dalio is the CEO of Bridgewater Capital, the world's largest hedge fund. He and his associates manage north of \$160 billion in assets. He's been featured a couple of times on The Extra Point, as we discussed some of his ideas in how to lead.

One of Dalio's most famous positions is what he calls "radical transparency." This is honesty on steroids, and it's not for everybody. But, could it be for you? Let's get to the meat of the issue.

Many years ago, Dalio decided to be totally honest in his appraisal of employee performance. So honest was he that a number of workers just couldn't handle it. His criticism was often delivered in a group, and caused embarrassment and hurt feelings.

This behavior runs counter to common managerial practice today, where criticism is saved for private meetings. Dalio disagrees with that idea. He feels that everybody should be able to call anybody out, and tell them about it when they're wrong. In his opinion, that kind of atmosphere would toughen people up and make the organization stronger.

Part of this strategy is for employees to be critical of him and his performance. Employees can criticize the company CEO, without fear of retribution. This gets us back to my opening question. If I worked for you, how honest could I be in my evaluation of your performance — with my criticism delivered in front of other employees?

How thick is your skin? Could you sit there

and listen to me explain your faults in front of other workers? Second question. Could your boss absorb that kind of criticism?

Dalio heard the complaints about his approach, so he began to meet individually with his employees to reach a mutual agreement about how they would treat one another. It was setting the ground rules with each worker, and each situation, each agreement, might be different.

Dalio would ask, "How am I going to be with you? How should you be with me? In other words, should I tell you what I really think? Can you be free to tell me what you really think?"

He wanted to create a culture where employees could have "thoughtful disagreement," and exchange controversial ideas without creating problems.

After one particular meeting at Bridgewater, one the team members sent Dalio this email:

"Ray — you deserve a "D-" for your performance today in the meeting ... you did not prepare at all because there is no way you could have and been that disorganized. In the future, I/we would ask you to take some time and prepare, and maybe even I should come up and start talking to you to get you warmed up or something...but we can't let this happen again. If you, in any way, think my view is wrong, please ask the others or we can talk about it."

Could you be this honest with your boss? If you're a manager, could you allow workers to be this honest with you? Do you want honesty, unfiltered honesty?

Or was Jack Nicholson talking to you in the movie *A Few Good Men*, when he said, "You can't handle the truth!"?

(Con't.)

Dalio's radical transparency may not be for everybody, and it's not perfect, but he says the technique works for Bridgewater.

Would it work in your company? How about GovGuam agencies? How about the hotels in Tumon? How about at Adelup? Would it fly in our military units on island?

Do you think most folks could swap out their ego, in return for a heaping helping of honesty? Are you willing to let it start with you?

That's The Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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