

A Message to New Employees and Their Supervisors

Our Network's long-term success at breaking barriers that prevent people from realizing their potential demands that we effectively onboard new talent. The magnitude of our efforts requires the diverse perspectives, experiences, aptitudes, knowledge, and skills our employees bring. Connecting to how your team creates value, internalizing our Network Vision, and applying Market-Based Management® (MBM) will empower you to make the greatest contributions to our long-term success.

This resource is designed to help supervisors and new employees drive an effective onboarding process, putting new employees in the best position to create value in their role. Getting this right requires time, thoughtful planning, and diligent effort, which means we can't treat onboarding as something that starts and concludes in the first week, or even month, of being in a new role.

We know that as you—both supervisors and new employees—strive to apply MBM, you will find increasing success and fulfillment, which are important parts of the culture we want to foster. This endeavor to apply MBM takes practice. Seek help and guidance from your supervisor, peers, human resources, and the MBM team. Adjust as you learn and welcome feedback. Ask questions, share your perspective, and strive to become lifelong learners.

Your successful application of MBM matters because, as you learn by living these principles, your contributions to our vision will grow as well. To truly break barriers and move toward a society of mutual benefit, we need all our employees continually developing towards their potential.

Welcome to the Network!

Questions? Email MBM@tsninstitute.org

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- This resource is organized using the 5
 Dimensions of MBM Vision, Virtue & Talents,
 Knowledge Processes, Decision Rights,
 Incentives—and should complement existing
 resources, including your peers and leaders.
- Each section highlights specific concepts, mental models, and tools that can help new employees and their supervisors drive an effective onboarding process.
- This complementary resource should help you **apply** these concepts and tools in your work. You will improve in your role and develop personal knowledge of MBM as you seek to apply MBM to specific decisions and challenges, while continually seeking feedback from others.

Onboarding Responsibilities

Onboarding is the responsibility of supervisors and new employees working together, supported by Human Resources, the MBM team, and others. Applying MBM®: The Role of a Supervisor is a valuable resource that illustrates what supervisors are accountable for, while this onboarding toolkit highlights that accountability in the context of onboarding.

All employees, supervisors and new employees alike, are expected to apply our management philosophy, Market-Based Management.

Why We Believe Market-Based Management Matters and is Key to Our Network's Success

MBM helps us make better decisions and maximize the value we create by:

- · Informing our thinking and behavior;
- · Providing a foundation for the organization's culture; and
- Encouraging us to work through and with others to achieve an organizational goal.

The importance of, and approach to, the role of a supervisor is something that sets us apart from other organizations.



"When new employees...jump to the conclusion that their thinking and acting is already consistent with MBM, [it] slows down their internalization and application of MBM. They make much faster progress when they focus on how different MBM is from their previous experience."

-GOOD PROFIT. 247

Becoming Familiar with MBM

Our philosophy is articulated, and organized, in principles, values, beliefs, frameworks, ideas, and mental models that all tie back to the principles that allow free societies to prosper and individuals to realize their potential.



Key elements of MBM are summarized and organized through the MBM® Framework, a tool or job aid that holistically helps remind us of the things we need to think about, or the tools in MBM we may use.

For example, the concept of Free Speech reminds us of the purpose and benefits of rational debate and discussion that expands and challenges our thinking. We apply this lesson from free societies through the Knowledge Processes dimension using the Challenge Process.

Some of the key elements of MBM (also highlighted in the MBM[®] Framework):



While we describe MBM in terms of five dimensions, the approach is more than simply a sum of the parts. MBM is a holistic system. The Five Dimensions become mutually reinforcing and interdependent.

For example, supervisors should view the Virtue and Talents dimension as something they are responsible for and trying to accomplish with their team. The Indications of Progress can give supervisors a sense of what they would see if they were doing a good job with that dimension



These <u>Principles</u> define who we are as a Network, and we all have a responsibility to live by them daily.

For example, they are essential to creating long-term value because they are expectations for all conduct that apply to everyone; they build the shared values that guide our individual actions; and they set the standards by which we evaluate our policies and practices.

Integrity

Stewardship and Compliance

Principled Entrepreneurship™

Transformation

Knowledge

Humility

Respect

Self-Actualization



Help us accomplish the <u>purpose of each</u> <u>dimension</u> of the MBM® Framework.

For example, the mental model of comparative advantage can help supervisors consider how to organize members of their team to maximize value and Roles, Responsibilities, and Expectations is a tool to help apply this and other mental models.



Highlighted Onboarding Responsibilities



- Proactively seek to understand how you, your team, your organization, and the Network create value.
- Learn to prioritize your work, and make effective decisions in harmony with the vision.

"Deciding the order in which to do things can be just as important as deciding what things to do."

GOOD PROFIT 113



- Help new employees understand how they, their team, and the organization create value for the Network.
- Build a shared vision, and help new employees prioritize work per the vision.

"Having a shared vision guides the development of roles, responsibilities, and expectations. That's why getting the vision right, helping employees (especially leaders) internalize it, and updating it as often as necessary is essential."

-GOOD PROFIT, 100



1. Read page 1 and pages 6-7 of the MBM® Working Paper: The Vision Development Process and the Network Vision [SNAP, KNET], and consider the following:

To better understand your role, and how it creates value for the Network, what questions would be helpful to discuss with your supervisor?
How does vision provide a sense of purpose for you in your role?

What is your team trying to accomplish? How does it connect to what your organization and the Network are trying to accomplish?	
What are your responsibilities, and how do they help your team make progress on its objectives?	



PART 2 - Prioritizing Your Work and Effective Decision-Making

Ü	
L. Read the Decision-Making Framework section of <i>Good Profit</i> (pages 183-184). How does understanding ourvision help you prioritize and make decisions?	Identify a list of opportu on today, this week, this vision, and prioritize the greatest impact on adv the process.
Reflect on the advice provided in this section of Good	
Profit, and begin to apply it to daily decisions, small and large. How can you solicit feedback from your supervisor and others to help you improve over time?	
	"First, frame and quantify you face. Then reduce Finally, prioritize it accord

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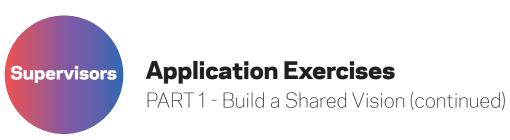


1.	Read through and answer the relevant vision-related questions in Applying MBM®: The Role of a Supervisor (page 4) and MBM® Working Paper: The Vision Development Process (pages 6-7). Do you feel comfortable enough with your answers to help	Reflect on your experiences as a new employee and supervising other new employees. Considering those experiences, brainstorm and prepare to answer questions about how your team creates value that may arise on day one, week one, month one, and so on.
	coach a new employee? If not, what steps can you take? Who can help?	
	What is the benefit of continually thinking through these questions and discussing them with a new employee?	What would you hope to observe in a new employee that would suggest they are connected to vision?
	questions and discussing them with a new employee?	



2.	Now that you've reflected on the purpose of Vision, read the Network Vision [SNAP, KNET], and consider the following:
	What are the 2-3 themes or key points from the Network Vision you want to introduce to new employees?
	Together with your new employee, and in your own words, diagram the connection between your team, your organization, and the Network Vision. When appropriate, repeat the exercise but incorporate the new employee's role.

What are the primary themes and conna new employee to keep front of mind? conversations achieve this?	,



	Consider the following to help new employees understand how they create value.	When appropriate, ask your new employee to set clear priorities. How can you use this exercise to coach around RR&Es and vision?
	What do you need to learn about a new employee to begin to build RR&Es that clearly connect back to vision?	
	What is a natural progression or timeline for discussing RR&Es? What could conversations look like day one, week one, month one, and so on?	Utilize the MBM® Guiding Principles Coaching Tools [SNAP, KNET] in conversations with new employees with a specific emphasis on Integrity, Principled Entrepreneurship™, and Transformation. As you discuss the principles, seek to identify connections to the Vision dimension and the importance of those connections.



Considerations for HR

How can you help supervisors have fruitful conversations with new employees regarding vision? What have you previously observed that might be helpful to share?
How can you help supervisors begin to tailor and time their RR&E conversations based on the progress of each new employee?

What elements of vision do supervisors and employees tend to struggle with? What can you do to help connect them to resources?)

Discover more on Vision:

Model in Brief: Creative Destruction Role of Business Spontaneous Order

Questions? Email MBM@tsninstitute.org



Highlighted Onboarding Responsibilities



- Seek to live daily by the Guiding Principles, and apply MBM to improve your performance.
- Discover and develop aptitudes into skills that create value in harmony with our vision



- Develop a point-of-view on where new employees, considering their aptitudes, skills and interests, can have the greatest impact based on comparative advantage.
- Regularly encourage new employees to discover and share their interests and aptitudes.
- Provide on-going coaching and focused development that facilitates a new employee's personal transformation, as well as addresses behavior inconsistent with MBM Principles.

"...the most effective leaders are those who provide frequent and honest feedback that identifies opportunities for improvement in a way that stimulates dialogue and change."

-GOOD PROFIT, 132



PART 1 - Living Daily by the Guiding Principles

1.	What is a principle? What do you think a rule is? How do you tend to operate? Are you drawn more towards principles or rules? After reflecting on these questions, read through MBM® Working Paper: Principles and Rules .	2.	Read through our MBM® Guiding Principles [SNAP, KNET]. Identify a work challenge, and choose a Guiding Principle to practice applying it. Use the MBM® Guiding Principles Coaching Tools [SNAP, KNET] to help facilitate your learning and application.
	What insights did you have that you can begin to implement?		Why do you believe applying your chosen principle will help? What other Guiding Principles might also help?
	How can your understanding of principles and rules help you to live daily by the Guiding Principles? How can it help you improve your performance?		
	carrichelp you improve your performance:		As you've practiced, what improvements to the challenge and your behavior have you observed or experienced?



PART 2 - Discovering and Developing Your Talents

1.	Try brainstorming and articulating your strengths (and interests). Separately, solicit thoughts and ideas from others (family, friends, colleagues, supervisor, etc.). What list did you come up with? How does it compare to the list you generated from talking to others? How can you use this exercise to ground you in reality?	2.	Now, do the inverse to identify your limitations. Again, brainstorm individually and draw on others for their perspective. How does this connect to the Guiding Principle of Humility?
	What relevant strengths can you connect to current or future responsibilities?		How does applying the principle of Humility and understanding your limitations help you create value in your role?
	Where can you begin to build or hone specific skills to better leverage your strengths? How does this connect to the Guiding Principle of Self-Actualization?		"[The theory of multiple intelligences] postulates that there are eight different kinds of intelligence, and none of us is equally gifted or deficient in all of them."



PART 1 - Develop a Point-Of-View and a Plan

1. Read the Virtue and Talents and Decision Rights questions on page 4 of <u>Applying MBM®: The Role of a Supervisor</u>, and thoughtfully consider the following:

Identify the specific skills needed for a new employee to succeed in their responsibilities. Do their strengths/aptitudes align with the needed skills?

Clearly Identify skill gaps and build a plan and indications of progress to help develop a new employee toward specific responsibilities.

"I believe that a person's capacity to perform in a given role is not only determined by training and experience, but by the aptitude or the kinds of intelligences in which that person excels."

-GOOD PROFIT, 135



PART 2 - MBM Coaching as a Supervisor

1.	Use your developed point-of-view and plan to
	consider the following:

How are you intentionally utilizing the MBM® Coaching Framework, Performance Reviews, Performance Development Plans, and the apprentice model to help new employees be successful?

How are you helping new employees understand the value and importance of feedback in an MBM culture?

Referring to the questions on page 4 of <u>Applying MBM®</u>: The Role of a <u>Supervisor</u>, how would your new employee rate you on these questions? Where can you can you improve and better model and apply our principles?

2. Utilize the MBM° Guiding Principles Coaching Tools in conversations with new employees with a specific emphasis on Principled Entrepreneurship, Knowledge, and Self-Actualization.

As you discuss the principles, seek to identify connections to the Virtue and Talents dimension and the importance of those connections.



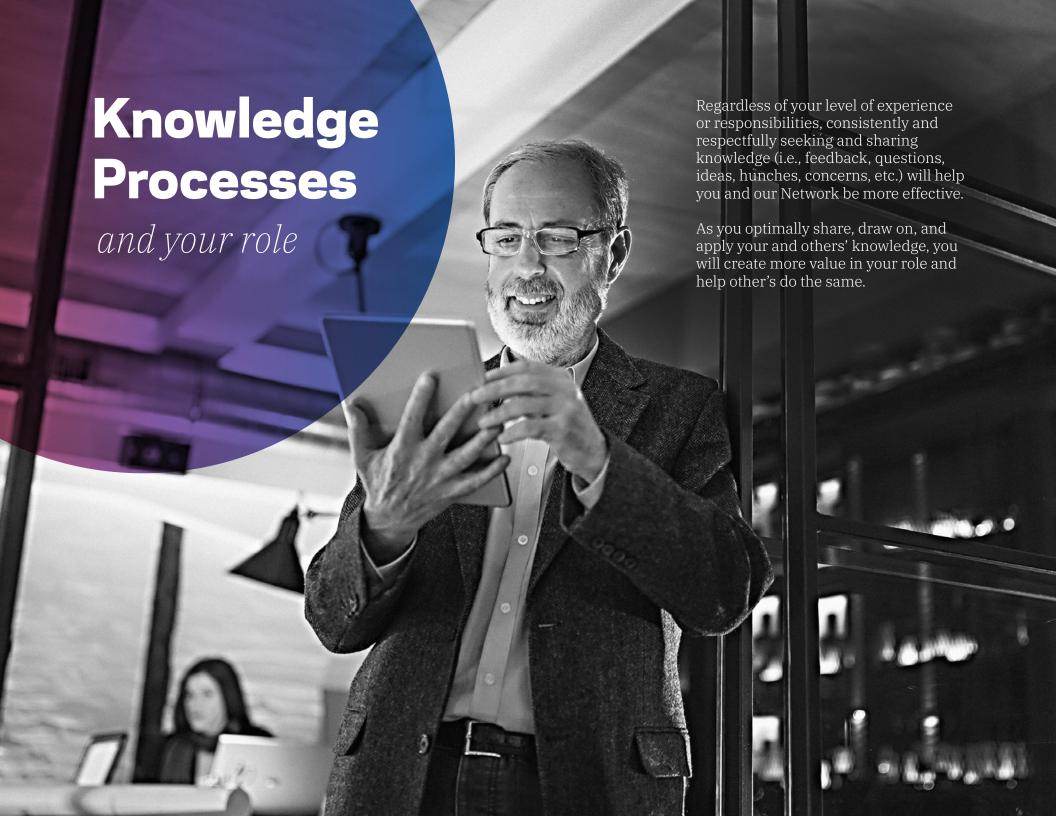
Considerations for HR

What strengths and limitations where identified during the selection process you can help supervisors incorporate into a coaching plan?	Are supervisors effectively applying the MBM®Coaching Framework with new employees?
How can you help supervisors apply the apprentice model?	

Discover more on Virtue and Talents:

Virtue and Talents Matrix Rules of Just Conduct

Questions? Email MBM@tsninstitute.org



Highlighted Onboarding Responsibilities



- Learn to provide and solicit challenge consistently and respectfully.
- Learn to proactively seek and share knowledge across the Network to improve results.
- Learn to appropriately apply MBM tools and mental models to make effective decisions.

"For a culture ... to create a spontaneous order that contributes to discovery, it must constantly seek, nurture, and implement new knowledge."

-GOOD PROFIT 141



- Encourage, foster, and insist upon effective challenge with your new employees.
- Help new employees apply MBM tools and mental models to make effective decisions.

"When all participants in a challenge process embrace our MBM Guiding Principles and focus on creating value, the result is a powerful tool for discovery."

-GOOD PROFIT, 169

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PART 1 - Applying the Challenge Process

1.	Read Applying MBM®: The Challenge Process, and consider the following: How is this different from what you've previously experienced in the workplace, and why do you think we value it so much in our culture (pages 1-2)?	After becoming more familiar with challenge, write down a few specific areas you can begin to improve in and apply challenge. What role do the Guiding Principles of Knowledge, Humility, and Respect play in effective challenge? Which other Guiding Principles play role and how?
	What aspects of our challenge culture feel natural, and more importantly, where do you need to improve	How can feedback from others help you improve in providing and soliciting respectful challenge?
	(pages 3-5, 7)?	



PART 2 - Harnessing Your and Others' Knowledge

1.	Keep a running list of potential problems to solve and opportunities to create value.
	Brainstorm different ways you could - both formally and informally—learn from others across the Network to help you develop.
	Do the inverse by identifying unique knowledge you have that might benefit others across the Network. Refer to Applying MBM . Sharing Knowledge for further study and application.

2.	Practice making effective decisions by reviewing
	and applying the concepts discussed on pages
	126,183-184 of <i>Good Profit</i> .

What mental models can you begin to practice applying to improve your decision-making? Who can help you develop in your application of these mental models?
What role does challenge play in decision-making? When in the process should you begin to invite challenge?

"Use no more steps or complexity than is necessary to make a sound decision."

-GOOD PROFIT, 184



PART1 - Encourage, Foster, and Insist Upon Effective Challenge

1. Read Applying MBM®: The Challenge Process, and consider the following: What are the benefits and aspects of effective challenge	What specific areas can you begin to work on to foster a healthy challenge culture with a new employee and the rest of the team (pages 6-7)?
you want new employees to understand (pages 1-2)?	
How are you and your team capable of modeling effective challenge to a new employee (page 3)? Where do you and your team need to improve (pages 4-5)?	2. Utilize the MBM® Guiding Principles Coaching Tools in conversations with new employees with a specific emphasis on Knowledge, Humility, and Respect. As you discuss the principles, what connection can you make to effective challenge?
	"If you find that your views are rarely challenged, it is likely that you are giving the impression that

-GOOD PROFIT, 168

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PART 2 - MBM Coaching and Effective Decision-Making

l.	Study and more effectively apply the <u>Decision-Making Framework</u> (see also <i>Good Profit</i> , pages 183-84). Reflect on the following questions:
	Where are you too rigidly applying the process and expecting others to do the same?
	Who can help you get better at applying "DMF thinking?"



Considerations for HR

How can you help supervisors of new employees see the value of effective feedback?	What knowledge do you have that could help a new employee or a supervisor of a new employee?
How can you hold supervisors accountable for fostering a respectful challenge culture?	
	■ Discover more on Knowledge Proce
	Model in Brief: Free Speech Model in Brief—Republic of Science Experimentation

esses:

Questions? Email MBM@tsninstitute.org

Decision Rights

and your role

An important issue for all organizations is the degree of freedom granted to individuals to make decisions about their own activities, the activities of others, and the use of resources. In society as a whole, property rights play an important role in this area. We attempt to capture the benefits of private property rights, entrepreneurship, and division of labor by comparative advantage through the application of the Decision Rights dimension.

Effectively applied, the decision rights dimension can motivate and enable value creation, innovation, and efficiency. This requires an appropriate balance between: (1) stimulating entrepreneurship and initiative by establishing clear responsibility and accountability; and (2) the need to coordinate and collaborate by establishing limits to an employee's freedom to act independently.

"Our approach to decision rights in one of the significant ways in which MBM sets us apart from other companies."

-GOOD PROFIT, 174

Highlighted Onboarding Responsibilities



- Identify the strengths you can leverage, and the skills you can build, to contribute the most to your team, your organization, and the Network.
- Learn to demonstrate Principled Entrepreneurship, and drive transformation for your team, your organization, and the Network.

"...people perform best when their role is a challenge, but not so much that they feel overwhelmed or defeated."

-GOOD PROFIT, 189



- Simplify, clarify, and adjust a new employee's responsibilities, expectations, and authorities based on comparative advantage.
- Hold new employees accountable for results (and achieving results consistent with MBM principles).
- Encourage new employees to practice Principled Entrepreneurship and drive transformation.



PART 1 - Leveraging Your Strengths to Become a Principled Entrepreneur

1.	Read through <u>Applying MBM®</u> : <u>Roles, Responsibilities, and Expectations</u> , and consider the following:	How can you hold yourself and your supervisor accountable to an effective RR&E process (pages 2-5, 10-11)?
	What strengths, limitations, and interests have you specifically identified? How can this help you individualize your RR&Es in conversations with your supervisor (page 2)	?
	How can RR&Es help you be entrepreneurial, be engaged in meaningful work, and create value for the Network (pages 2-3)?	How can a deeper understanding of the Decision Rights dimension help you drive transformation and maximize your contribution (see <u>Applying MBM®: Decision Rights</u>)?
		If every person and part of the earth were equal in every way, there would be much less benefit from the division of labor."

-GOOD PROFIT. 187



PART1 - Introducing Decision Rights to a New Employee

1.	Read through <u>Applying MBM®: Roles,</u> <u>Responsibilities, and Expectations,</u> and consider the following:
	What unique aspects of the Decision Rights dimension can you begin to introduce to new employees (pages 1-2)? What could an RR&E discussion look like with a new employee on day one, week, one, month one, and so on (page 2)?
	What are the benefits of RR&Es you want your new employee to appreciate and understand (page 2-3)?

What are common pitfalls you've observed in the past yo want to help a new employee avoid (see <u>Applying MBM®:</u> <u>Decision Rights</u>)?



PART 2 - Setting Your New Employee and Team Up for Success

1.	Refer back to <u>Applying MBM®: Decision Rights</u> , and begin a self-assessment of your ability as a leader to apply this dimension. Use the following questions to clearly identify gaps and a path forward to improve.	2.	Utilize the MBM Guiding Principles Coaching Tools in conversations with new employees, with a specific emphasis on Integrity, Principled Entrepreneurship™, and Transformation.
	What pitfalls do you tend to struggle with, especially with new employees (pages 2-3)? What poor mental models may be contributing to your struggles?		As you discuss the principles, seek to identify connections to the Decision Rights dimension and the importance of those connections.
	In reading through the questions on page 5, how would you rate yourself? How would a new employee		How could you incorporate the coaching tools as you begin to introduce RR&Es with your new employee?
	rate you? How can you begin to make improvements?		



PART 2 - Setting Your New Employee and Team Up for Success (Continued)

3.	Refer back to <u>Applying MBM®</u> : <u>Roles</u> , <u>Responsibilities</u> , <u>and Expectations</u> and reflect on the following:		How confident do you feel in your answers to the decision rights questions on the last page of Applying MBM . The Role of a Supervisor?
	How are you seeking to fully capture the benefits of RR&Es with a new employee as early as possible (page 3)? Do you tend to wait too long to bring clarity to a new role?		
		4.	Read through the MBM® Working Paper: Comparative Advantage.
	How can you drive a more effective <u>RR&E process</u> to foster principled entrepreneurship and transformation with a new employee (pages 10-11)?		Consider different scenarios for how you might assign responsibilities to a new employee and adjust other responsibilities across the team.
	That is well project (pages 15 11).		
			Revisit the exercise after you learn more about a new employee, or if there are any other changes across the team that would warrant redoing the exercise.



Considerations for HR

How can you help supervisors unleash the power of an effective RR&E process with a new employee?	What steps can you help supervisors take to ensure new employees know how their team creates value?
How are your supervisors creating specific plans to help new employees quickly take on responsibilities and grow their contribution?	How can you help supervisors who struggle to distinguish between an RR&E summary document and an ongoing RR&E process?
	Discover more on Decision Rights Models in Brief—Comparative Advantage Private Property Rights Tragedy of the Commons
	Questions? Email MBM@tsninstitute.org



Highlighted Onboarding Responsibilities



 Discover meaningful work, and realize your potential in harmony with our vision.

"For those who are self-actualizing, work becomes part of how they define themselves. They need to feel they are working for a worthwhile cause or a good company and are benefitting others as well as themselves."

-GOOD PROFIT. 197



- New employees are working on the right things; compensation is consistent with performance reviews and coaching messages; and, our compensation philosophy is understood.
- New employees are doing meaningful work and realizing their potential in harmony with our vision, while also continuing to take steps to pursue lifelong learning.



PART 1 - Discovering Meaningful Work

"Employers should use incentives to guide employees toward areas where their capabilities, attention, and effort can create the most value, while enabling them to be more self-actualizing."

-GOOD PROFIT, 203

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1.	Identify the work you are engaged in that is meaningful and why. Try to make connections between your most meaningful work and how it creates value for the Network (if helpful, try diagramming the connections). Openly discuss with your supervisor and consider adjustments where appropriate.	When was the last time you felt fulfilled at work (previous or current role)? Do you feel you are on a path towards fulfillment in your current role? If not, how can you work with your supervisor or others to make appropriate adjustments?
2.	Read through Model in Brief: Self-Actualization and Model in Brief: Individualism, and consider the following: How are you benefitting from your work in the Network? How is this reflected in your compensation? How is this reflected in other areas?	Do your innate abilities align with your current role? Are you able to describe the connection between your compensation and your contribution? What would be helpful to discuss with your supervisor?



PART 1 - Cultivating a Work Environment of Self-Actualization

1.	Read through Model in Brief: Self-Actualization and Model in Brief: Individualism. Focus on the "Connection to MBM" sections, and consider the following:	How can you begin to take an individualized approach to providing meaningful opportunities for a new employee to contribute and grow?
	Given how we think about self-actualization, what could motivation in an MBM culture look like? How might this perspective shape your approach with a new employee?	
		What could regular and honest feedback look like during this process?
	What approach could you take to discover a new employee's aptitudes, skills, and interests?	



PART 1 - Cultivating a Work Environment of Self-Actualization (Continued)

2.	Having read about the MBM connections to self-actualization and individualism, list 3-5 things you can do better to motivate a new employee and your team. Use these questions to help: How are you helping direct reports find meaning in their work, and become lifelong learners?	How would you rate your answers to the Incentives questions on page 4 of Applying MBM®: The Role of a Supervisor?
	What is the connection between the concepts of self-actualization and individualism and compensation? How are you communicating and effectively applying our compensation philosophy with a new employee?	Utilize the MBM® Guiding Principles Coaching Tools in conversations with new employees with a specific emphasis on Transformation, Humility, and Selfactualization. As you discuss the principles, seek to identify the connections to the Incentives dimension and the importance of those connections.
	How are you motivating a new employee to personally contribute to our MBM culture?	How can you help new employees appreciate the connection between living by the Guiding Principles and compensation?



Considerations for HR

How are you ensuring supervisors are motivating new employees to work on the right things (advancing the vision) in the right way (aligned with the Guiding Principles)?	How can you help supervisors have effective compensation conversations with new employees?
Are new employees on a path to finding meaningful work and receiving feedback along the way? If not, how might you work with supervisors to make improvements?	How can you help supervisors identify their new employee's strengths, limitations, and interests?

Discover more on Incentives

Human Action Model
Maslow's Hierarchy of Needs
Total Compensation for Total Contribution

Questions? Email MBM@tsninstitute.org