

CORPORATE TABOOS — VOLUME II

*Leadership Failures We All See But No One Fixes*

Issue #6

# Results at Any Cost

— *The Hidden Leadership Mistake That Destroys Quality Culture*  
*Aligning Rewards with Crosby's Prevention Mindset*

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*The newsletter for leaders who prefer honest diagnosis over comfortable denial.*

## The War Story

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Every quarter, when the results came in, the name at the top of the sales leaderboard was Kyle.

Kyle had been the top revenue producer at Vantage Systems for four consecutive years. His close rate was exceptional. His account retention numbers were strong. His pipeline was always full and his forecast accuracy was the highest on the team. At every quarterly review, the regional VP opened with the slide that showed Kyle's numbers alongside everyone else's, and the numbers were decisive and unambiguous. Kyle got the largest bonus, the President's Club trip, and — in Q3 of last year — the promotion to Senior Account Executive that came with a territory expansion and a twenty-percent increase in base.

What Kyle also had was a practice that everyone on the sales team knew about and nobody with authority had formally addressed. He cherry-picked leads from the shared CRM, claiming accounts that junior reps had spent weeks warming before the accounts reached a stage where closing was likely. He documented his own activity generously and others' activity sparingly, which meant that when credit was attributed at review time, the attribution reliably favored Kyle. He had, on two documented occasions, told prospects that a competitor's product 'had a known quality issue' — a claim that was not true, that had been flagged by the compliance team, and that had resulted in a conversation with his manager that produced a verbal warning and no other visible consequence.

The junior reps knew the CRM practices. They had stopped putting detailed notes in shared accounts because the notes were being used to identify warm opportunities that would be claimed before they could be closed. Three of the five reps hired in the previous two years had left within eighteen months. Two of them cited Kyle explicitly in exit interviews. One said, with a precision that belonged in a case study: 'I came here to learn how to sell. I learned how to protect my pipeline from my own colleagues. That's not the same skill.'

Kyle was not malicious. He was optimized — by four years of a reward system that measured one thing and measured it well, while measuring nothing else at all.

***What you reward is what you get. What you tolerate alongside reward is what you teach everyone who is watching that it is acceptable to become.***

## Name the Failure: The Incomplete Scorecard

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The failure at Vantage was not that Kyle hit his numbers. The failure was that the organization had designed a performance system that measured results with precision and measured the behaviors that produced those results not at all — and had then expressed surprise when results were produced through behaviors that damaged the system.

This is the incomplete scorecard problem: a performance management system that evaluates what was achieved while remaining systematically silent about how it was achieved. In quality

management terms, it is a measurement system that monitors output while ignoring process — the logical equivalent of auditing defect rates while treating the process conditions that produce defects as outside the scope of measurement.

### **The Signal the Reward System Sends**

Every time a high-result, poor-behavior performer receives a top bonus, a promotion, or a public celebration, the organization sends a signal to every person who observed the result and the behavior: the behavior is acceptable. Not merely tolerated — acceptable. The absence of consequence is not a neutral signal in a performance culture. It is an endorsement, received and decoded with precision by everyone who is calibrating their own behavior against what they observe being rewarded.

The three junior reps who left within eighteen months were not primarily reacting to Kyle's behavior. They were reacting to the organization's response to Kyle's behavior — which was to continue promoting and rewarding it. That response was more informative about the organization's actual values than any mission statement or culture deck.

## **Crosby's Prevention Mindset: Quality Is Built In, Not Inspected In**

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Philip Crosby's foundational contribution to quality management was the prevention mindset: the insight that quality is not achieved by inspecting defects out of a process after they occur, but by designing the process so that defects cannot occur. Crosby's four absolutes of quality management — quality means conformance to requirements, the system of quality is prevention, the performance standard is zero defects, and the measure of quality is the price of nonconformance — apply with striking directness to the behavioral quality problem this issue is examining.

### **Absolute 1: Quality Means Conformance to Requirements**

Crosby's first absolute establishes that quality is not a subjective judgment but a measurable conformance to defined requirements. Applied to performance management: if the organization requires both results and defined behaviors as standards of performance, then performance that achieves results but fails the behavioral standard is a nonconformance — not a success with minor caveats.

The error at Vantage was treating Kyle's results as quality performance when Kyle's performance was nonconforming to the organization's stated values. The nonconformance was not minor. It was driving attrition, degrading the shared sales infrastructure, and teaching junior reps that the CRM was a competitive threat rather than a collaborative tool. Quality performance, by Crosby's definition, is conformance to the full requirement — not partial conformance to the convenient part of it.

### **Absolute 2: The System of Quality Is Prevention**

Crosby's second absolute is the most actionable for this problem. Prevention means designing the system so that the undesirable outcome — in this case, high-result, poor-behavior performance being rewarded — cannot occur by default. The inspection-based alternative is to wait for behavioral violations to become serious enough to address reactively. Prevention means changing the performance management design so that behavioral conformance is a structural requirement of the evaluation, not an afterthought.

A prevention-oriented performance system does not rely on a manager's courage to name behavioral issues when a top producer is involved. It builds behavioral evaluation into the formal review process with the same rigor as results evaluation, making it structurally impossible to complete a performance review without a documented behavioral assessment. When the behavioral assessment is required before the bonus is calculated, the conversation happens — because the form won't close without it.

### **Absolute 3: The Performance Standard Is Zero Defects**

Crosby's zero defects concept is widely misunderstood as an aspiration toward perfection. Its actual meaning is more precise: zero defects as a performance standard means not accepting defects as an inevitable cost of doing business. Applied to behavioral nonconformance: the organization that accepts CRM cherry-picking and compliance violations as the inevitable cost of top-line revenue has set a defect standard that is not zero — it is 'whatever we can tolerate from whoever is hitting their numbers.'

Zero defects in behavioral performance means the standard applies regardless of the result. Not because results don't matter — they do — but because accepting behavioral defects from high-result performers sets a defect standard that the rest of the organization will calibrate to. If Kyle's practices are acceptable, the question every other rep is asking is: how much of Kyle's approach can I adopt and still be considered a team player?

### **Absolute 4: The Measure of Quality Is the Price of Nonconformance**

Crosby's fourth absolute is the one most directly useful for making the business case against results-only reward systems. The price of nonconformance (PONC) is the cost of not doing things right the first time — all the rework, correction, and waste that follows from defects. Applied to Kyle's behavioral nonconformance, the PONC includes:

- Three departures in two years, each costing recruiting fees, onboarding time, and ramp period — conservatively, eighteen months of fully loaded cost per departure for a revenue-generating role.
- Degraded CRM data quality as junior reps stopped documenting warm accounts, reducing the organization's pipeline visibility and forecast accuracy.
- Two compliance incidents requiring management time, legal review, and relationship management with affected prospects.
- The cultural signal transmitted to the surviving team members about what the organization values — a signal whose cost is real but never appears on a spreadsheet.

The price of Kyle's behavioral nonconformance, calculated honestly, is considerably larger than the revenue his quota overperformance generated. Crosby's framework makes this calculation

explicit and unavoidable: the cost of quality is not the cost of the quality program. It is the cost of nonconformance — and nonconformance in high-performing individuals is the most expensive kind because it is the kind the organization is most reluctant to measure.

## The 2x2 That Changes the Conversation: Results vs. Behaviors

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The most practical tool for operationalizing the results-and-behaviors standard is the 2x2 performance matrix, which positions every performer simultaneously on both dimensions and makes the appropriate organizational response to each quadrant explicit. Many organizations that say they value both results and behaviors have never drawn this matrix and committed to what each quadrant requires.

	Strong Values and Behaviors	Poor Values and Behaviors
High Results	<p><b>✓ PROMOTE AND CELEBRATE</b></p> <p>These are the people your quality culture needs to produce and retain. They deliver AND they make the system better.</p>	<p><b>✗ CORRECT OR REMOVE</b></p> <p>The 'brilliant jerk.' Numbers look good; the system is degrading around them. Tolerance here destroys the culture.</p>
Low Results	<p><b>🔧 DEVELOP AND SUPPORT</b></p> <p>Good values, underperforming on results. Coach, develop, and address capability or system barriers. High potential.</p>	<p>→ <b>EXIT</b></p> <p>Neither results nor behaviors meet standard. Clear, humane, timely separation is the right response for everyone.</p>

The quadrant that matters most for this issue is the top-right: high results, poor behaviors. Every organization has people in this quadrant. The organization's response to that quadrant — whether it corrects, tolerates, or celebrates — is the single most powerful signal it sends about whether its stated values are real.

The quadrant that is most frequently mismanaged is the bottom-left: good behaviors, low results. These are the people most likely to be developed into strong performers with the right support and system conditions — and the people most likely to leave when they watch high-result, poor-behavior performers get rewarded with no consequence. Their departure is the most expensive data point in the matrix, and it is the one the organization rarely traces back to the reward system that drove it.

## Building the Aligned Reward System: Five Structural Changes

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The following five changes move the reward system from results-only measurement to the aligned approach that Crosby's prevention mindset requires. None of them requires abandoning

results measurement — they require adding behavioral measurement with the same rigor and the same consequence structure.

### **Change 1: Define Behavioral Standards with the Same Precision as Results Standards**

Most organizations define results standards precisely — revenue quota, defect rate target, on-time delivery percentage — and define behavioral standards vaguely — 'team player,' 'collaborative,' 'aligned with our values.' The vague behavioral standard is not a standard. It is an opinion, applied inconsistently, and easily waived for high performers who have the standing to challenge it.

Define behavioral standards in the same operational terms as results standards: specific, observable, measurable, and applied consistently. Not 'collaborative' but 'does not use shared CRM data to claim opportunities developed by other team members.' Not 'aligned with our values' but 'zero compliance incidents in the review period and full disclosure of any customer-facing claims about competitors.' These definitions can be assessed objectively. They do not give the manager discretion to waive them for the person hitting their numbers.

### **Change 2: Make Behavioral Assessment a Gate, Not a Commentary**

In most performance management systems, behavioral assessment is a section of the review form — typically near the end, after the results discussion — that functions as commentary on an outcome already substantially determined. The bonus is effectively set by the results; the behavioral section adds or subtracts a few percentage points at the margin.

A prevention-oriented system makes behavioral assessment a gate: behavioral conformance must be confirmed before results-based rewards are calculated, not after. This means that a behavioral nonconformance is not a modifier of the reward — it is a precondition of the reward. Kyle's CRM practices would not reduce his bonus by ten percent under this structure. They would prevent the bonus calculation from proceeding until the behavioral nonconformance was addressed.

### **Change 3: Measure the Collateral Damage, Not Just the Output**

Kyle's numbers looked good because the measurement system measured Kyle's output in isolation from the system conditions he was affecting. A more complete measurement system would track the collateral damage alongside the output:

- Attrition rate within the team or function of high-result performers — not just their own retention but the retention of the people who work alongside or below them.
- CRM data quality and shared pipeline health in territories adjacent to high-result performers — a direct measure of whether individual success is coming at the expense of shared infrastructure.
- Compliance incident rate by performer — not as a separate HR matter but as a performance metric weighted in the review.

- 360-degree feedback from peers and direct reports as a formal input to the review, not an optional supplement.

### Change 4: Apply Behavioral Consequences Consistently and Visibly

The verbal warning that Kyle received after two compliance incidents — with no documented follow-through and no visible consequence — was worse than no consequence at all. It created a paper trail that suggested accountability while demonstrating its absence. Every person who knew about the warning and the subsequent promotion received unambiguous information about the organization's actual consequence structure for behavioral nonconformance.

Behavioral consequences must be applied consistently regardless of the performer's results standing, and they must be applied visibly enough that the team understands the organization's response. This does not mean public shaming — it means that when a consequence is applied, the team has sufficient visibility to understand that the behavior was addressed, so that silence is not the only signal available.

### Change 5: Celebrate the How as Explicitly as the What

If the only public recognition in your organization is for outcomes — the revenue leaderboard, the quality award for defect reduction, the President's Club trip — you are reinforcing a results-only performance culture regardless of what your values statement says. Prevention-oriented quality culture requires celebrating the how explicitly and publicly alongside the what.

This means recognition events that call out: the process improvement that reduced defect rate sustainably rather than the production run that met a one-time target; the cross-functional collaboration that solved a systemic problem rather than the individual who hit their number; the coaching and development contribution that built team capability rather than only the team's output. When the how is celebrated with the same prominence as the what, the organization teaches a different performance model.

## Quick Reference: The Aligned Performance System Audit

Audit Question	If No — Gap Action
Are behavioral standards defined in specific, observable terms that two different evaluators would apply consistently — not as vague values statements?	Rewrite behavioral standards in operational terms; add specific examples of conformance and nonconformance for each standard
Is behavioral assessment a gate in the performance review process — required before rewards are calculated — or a commentary section after outcomes are determined?	Restructure the review form so that behavioral conformance is confirmed before bonus calculation proceeds
Are results measured in isolation from their collateral effects, or do you also track attrition, shared infrastructure health, compliance incidents, and peer feedback?	Add collateral damage metrics to the performance scorecard; weight them explicitly in the review

Audit Question	If No — Gap Action
Are behavioral consequences applied consistently regardless of the performer's results standing, and with sufficient visibility that the team understands the organization's response?	Review the last twelve months of behavioral consequence actions; identify cases where high-result status modified the consequence; correct the pattern
Does your recognition program celebrate how results are achieved with the same visibility as what results are achieved?	Add explicit recognition categories for process improvement, collaboration, and capability development alongside output metrics
Have recent departures been analyzed for behavioral-reward system as a contributing cause?	Add reward system alignment as a root cause category in exit interview analysis; calculate the PONC of behavioral nonconformance in high-result performers

## The Bottom Line

Kyle was promoted. The three junior reps who left cited him in their exit interviews. The CRM notes stopped being written with detail. The compliance incidents became a footnote in a personnel file that HR reviewed periodically and operations never saw.

None of this was inevitable. It was the output of a performance system that was very good at measuring one thing and entirely absent on everything else — and that had, through four years of precision measurement of results and complete indifference to the conditions that produced them, optimized Kyle toward exactly the behavior it got.

Crosby's prevention mindset applied to this situation produces a simple diagnostic: if the defect you are experiencing is high-result, poor-behavior performance being rewarded and replicated, the cause is a measurement and reward system that produces that outcome by design. You do not fix that by addressing Kyle. You fix it by redesigning the system — defining behavioral standards with the same rigor as results standards, making behavioral conformance a gate rather than a commentary, measuring the collateral damage alongside the output, and celebrating the how with the same visibility as the what.

The organization that does this consistently discovers something that surprises many leaders: the highest-result performers, measured correctly, are almost always the ones whose results come from behaviors that make the system better. Kyle's numbers were impressive. The numbers the organization would have produced from a team of people who weren't protecting their pipelines from each other were never measured. That is the cost Crosby was pointing at — not what quality costs, but what the absence of it costs. And the absence of behavioral quality in a high-result performer is one of the most expensive absences on the ledger.

***The reward system is the quality system. Whatever you measure, weight, and celebrate is what your organization is designed to produce. Design it deliberately or accept what it produces by default.***

**Coming Up in Issue #7**

Why Most Change Efforts Fail Under Leadership — Common Pitfalls in TQM and Lean Transformations, and the PDCA Discipline That Succeeds. Leaders who launch improvement initiatives but fail to lead through resistance, sustain momentum, or model the behaviors the change requires.

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