



THE PARKING LOT EXERCISE



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The Parking Lot Exercise: A Leadership Tool for Evaluating Fit and Potential

In the fast-paced business world, leaders must constantly evaluate whether their team members are in the right roles and contributing effectively to the organization's success. 'The Parking Lot' exercise is a powerful tool for this purpose, encouraging leaders to reflect on their team's alignment with the company's goals and values. The exercise involves imagining all employees in a parking lot, ready to interview for their current positions. Leaders then ask themselves two pivotal questions:

1. Would you hire this person for **ANY** job in the organization?
2. Would you hire this person for their **CURRENT** job in the organization?

The answers are straightforward—either 'Yes' or 'No.' This simplicity forces leaders to confront the reality of each employee's fit within the organization. Beyond the immediate answers, this exercise offers profound leadership lessons for self-awareness, team development, and organizational integrity. Let's delve into the leadership considerations for each potential scenario.

Scenario 1: Yes/Yes

Lesson for Self: Celebrate and Cultivate Excellence

When you would hire the person for both any job and their current role, it's an opportunity to acknowledge their value. As a leader, your role is to:

1. **Foster Continuous Growth:** How are you actively developing their skills and talents? Invest in their growth to prepare them for greater responsibilities.
2. **Identify Leadership Potential:** Are they ready for promotion? Consider their readiness for leadership roles and provide mentorship.
3. **Challenge and Engage:** Ensure their work remains stimulating and aligns with their career aspirations. An engaged employee is a committed employee.

Team Impact: These individuals can serve as role models, fostering a culture of excellence within the team.

Organizational Benefit: Retaining top talent is crucial for sustaining the organization's competitive edge. Their development should align with the company's long-term goals.

Scenario 2: Yes/No

Lesson for Self: Recognize and Realign Strengths

When you would hire the person for any job but NOT their current role, it's crucial to assess why:



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1. **Understand Misalignment:** What specific skills or qualities are missing for the current role? Your leadership should guide them to areas where they can excel.
2. **Facilitate Role Transition:** What alternative roles would suit them better? Be proactive in finding the right fit within the organization.
3. **Support Development:** Offer training and development to bridge any gaps. Leadership involves nurturing potential, even moving them to a different path.

Team Impact: Realigning roles can enhance team synergy and efficiency, ensuring everyone contributes effectively.

Organizational Benefit: Properly aligning talent ensures the organization maximizes the potential of its human resources, leading to better overall performance.

Scenario 3: No/Yes

Lesson for Self: Reflect on Broader Fit

If you would not hire the person for any job but they perform well in their current role, it's essential to consider the following:

1. **Evaluate Cultural Fit:** Are there values or behaviors that don't align with the organization's culture? Reflect on the broader implications of their presence.
2. **Acknowledge Performance:** While they may not fit elsewhere, their current contributions are valuable. Leadership requires balancing appreciation with candid conversations about long-term fit.
3. **Plan for the Future:** What is the long-term outlook? Sometimes, a good performer may not be the right long-term fit; leadership must be ready to address this.

Team Impact: Leaders must manage any dissonance between an individual's performance and broader team culture to maintain harmony and morale.

Organizational Benefit: Ensuring all team members align with the organization's values protects its culture and long-term sustainability.

Scenario 4: No/No

Lesson for Self: Make Tough Decisions

When the answer is no for both questions, it's a moment for decisive leadership:

1. **Identify Core Issues:** What are the key reasons behind this assessment? Be honest with yourself and the employee.
2. **Plan for Action:** Whether it's training, coaching, or transitioning the employee out, clear actions are necessary. Leadership often means making tough but necessary choices.



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3. **Maintain Organizational Integrity:** It's your responsibility to ensure that the organization remains strong and only the best people are part of it.

Team Impact: Handling such situations with transparency and compassion can set a standard for accountability and professionalism.

Organizational Benefit: Removing misaligned individuals can strengthen the organization's overall health, ensuring that only those who genuinely fit and contribute to the company's mission remain.

Conclusion

'The Parking Lot' exercise is more than a simple assessment tool—it reflects your leadership philosophy and commitment to excellence. By thoughtfully considering the Yes/No framework, leaders can make informed decisions that benefit themselves, their teams, and the organization. This process helps cultivate a culture of continuous improvement, where every team member is in the proper role, fully engaged, and contributing to the collective success.

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