

THE MANAGEMENT BIBLE

BOB NELSON
PETER ECONOMY



John Wiley & Sons, Inc.

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Introduction

People talk a lot about how the world of business has changed; how markets today are not just regional or national, but global; how fast-evolving telecommunications technology has dramatically cranked up the speed of doing business; and how employees are seeking more meaningful work along with a voice in the decisions that affect them. It's true, the world of business has changed. More than ever before, this means that managers must also change to meet these new challenges.

The old ways of managing employees are broken. Here's how to fix them (and become a better manager in the process).

Whether you're new to management or a seasoned pro, you'll find every topic you need to be an exceptional manager addressed here—from hiring the best employees to motivating, coaching, and mentoring them; from setting goals to executing plans and holding employees accountable; from working with teams to disciplining employees. In short, this is one of the most comprehensive, yet up-to-date and clearly explained guides available today on the topic of management.

In this book, we take the topic of management to a new level by giving you doses of reality from business in several features that run through the book:

- *The Real World* cuts to the chase in explaining how things *really* work on each of the topics discussed. You'll have the opportunity to short-circuit your learning process and benefit from our many years

of experience, both as managers and as writers on the topics of management and leadership.

- *The Big Picture* provides a cutting perspective from some of the top business leaders as to what they view is most important to achieving success as a manager in the fast-changing global business environment. Presented in a question-and-answer interview format, these leaders are frank about challenges they've dealt with and lessons they've learned in their management careers.
- *Ask Bob and Peter* features real questions we've received from managers across the country and abroad about a wide variety of issues. Chances are you'll find the answers to some of your own challenges in these responses.

We hope you enjoy this book and find it useful in helping you to be a better manager. For more information, please visit our web sites at (for Bob) www.nelson-motivation.com and (for Peter) www.petereconomy.com. We would also welcome any feedback or questions you have, and you can contact Bob directly via e-mail at bobrewards@aol.com.

We'd love to hear from you, and we wish you all the best in your management journey.

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PART

The Art and Science of Management

CHAPTER 1



What Managers Do

IT'S A NEW WORLD OUT THERE . . .

Functions and . . .

How they allow managers to get things done through others.

The classic functions of management.

Energizing employees and unleashing their potential.

Empowerment rules!

Your employees need your support.

Communication makes the world go 'round.

WHAT MANAGERS ARE SUPPOSED TO DO

One of the first questions new managers ask—even if only themselves—is: What am I supposed to do now?

Traditionally, when new managers *are* provided with an answer to this question (often they aren't; they are simply hired or promoted to manager with no training or direction whatsoever), the answer has been the four *classic functions* of management that you may have learned in school—planning, organizing, leading, and controlling.

- *Planning:* Running an organization is kind of like steering a ship on the ocean; to get where you want to go, you've got to have a plan—a map—that tells you where you're headed. It's the job of managers to develop the plans that determine the goals an organization will pursue, the products and services it will provide, how it will manufacture and deliver them, to whom, and at what price. These plans include creating an organizational vision and mission and specific tactics for achieving the organization's goals.
- *Organizing:* After managers develop their plans, they have to build an organization that can put these plans into effect. Managers do this by designing organizational structures to execute their plans (often building elaborate organizational charts that divide an organization into divisions, departments, and other parts and designate the people who reside in each position) and by developing systems and processes to direct the allocation of human, financial, and other resources.
- *Leading:* Managers are expected to lead their employees, that is, to motivate them to achieve the organization's goals—quickly and efficiently. Leadership is considered by many to be the most important ingredient for a manager's success. Great leaders can make great things happen, inspiring their employees to do extraordinary things and accomplish extraordinary goals.

- *Controlling*: To accomplish their goals and the goals of the organization, managers must establish performance standards based on the organization's goals and objectives, measure and report actual performance, compare the two, and take corrective or preventive action as necessary.

While these classic functions are still valid, they do not tell the entire story. Managers and workers are entering into a new kind of partnership that is forming the basis of a new reality in the workplace. Today's managers are discovering that they cannot *command* an employee's best work; they can, however, create an environment that encourages employees to want to do their best work. And workers are discovering that, if they expect to survive the constant waves of change sweeping across businesses of all types, they have to find ways to contribute in their organizations in ways that they have never before been called on to do.

The *new functions* of management that tap into the potential of all employees are:

- *Energize*: Today's managers are masters of making things happen. The best managers create far more energy than they consume. Successful managers create compelling visions—visions that inspire employees to bring out their very best performance—and they encourage their employees to act on these visions.
- *Empower*: Empowering employees doesn't mean that you stop managing. Empowering employees means giving them the tools and the authority to do great work. Effective management is the leveraging of the efforts of your team to a common purpose. When you let your employees do their jobs, you unleash their creativity and commitment.
- *Support*: Today's managers need to be coaches, counselors, and colleagues instead of watchdogs or executioners. The key to developing a supportive environment is the establishment of a climate of open communication throughout the organization. Employees must be

able to express their concerns—truthfully and completely—without fear of retribution. Similarly, employees must be able to make honest mistakes and be encouraged to learn from those mistakes.

- *Communicate*: Communication is the lifeblood of every organization. Information is power, and, as the speed of business continues to accelerate, information—the *right* information—must be communicated to employees faster than ever. Constant change and increasing turbulence in the business environment necessitate *more* communication, not *less*—information that helps employees better do their jobs, information on changes that can impact their jobs, and information on opportunities and needs within the organization.

Master these new functions of management, and you'll find that your employees will respond with increased engagement in their work, improved morale and loyalty, and enhanced productivity. The result is better products and services, happier customers, and a more favorable bottom line. Aren't these all things that you would like to see?

ENERGIZING EMPLOYEES

Wouldn't it be great if you could get the very best from your employees each and every day? Well, we have some good news for you: You *can* get the very best from your employees every day of the week. But you can't do it by mandating that your employees give their very best from this day forward, with the occasional pep rally or morale-building meeting, or by threats or coercion. The secret to making this happen is *energizing* your employees—unleashing the passion and talent that resides deep within them.

What can managers do to help unleash the passion and talent in their employees, in short, to energize them? Here are some suggestions:

- Develop a clear vision for where you want the organization to go, and then be sure to communicate the vision widely and often.



ASK BOB AND PETER: What is the Japanese management style that I've heard about?

Briefly, the core of what is known as the Japanese style of management comes from an emphasis in Japanese society on building consensus in group decision making. In Japanese business (as in Japanese society), the group comes before the individual. Managers are, therefore, expected not to command employees but to lead them by consensus. In general, Japanese managers encourage their employees to make suggestions for improvement and to participate in an organization's decision-making process—much more than in most American organizations. They take time to create buy-in, which then allows them to implement decisions much faster after a decision is made. They also tend to favor the development of long-term relationships and strategies over short-term gain. In his book, *Theory Z: How American Business Can Meet the Japanese Management Challenge* (Reading, MA: Addison-Wesley Publication Company, 1981), William Ouchi noted the following characteristics of Japanese organizations: lifetime employment (this has become difficult for many Japanese companies in recent years), slow employee evaluation and promotion, nonspecialized career paths, implicit control mechanisms, collective decision making, collective responsibility, and holistic concern for the employee as a person. To learn more about this approach to management, pick up a copy of Ouchi's book, or visit the Japanese Management Today web site at www.apmforum.com/japan/jmt.htm.

- Ask for and listen to your employees' ideas and suggestions, and, whenever possible, engage them in the process of implementing those ideas and suggestions.
- Be sensitive to your employees' needs at work, and ensure that the work environment is conducive to your employees doing their best work.

- Don't be a prisoner to your office; be sure to regularly visit the people who work for you on their turf and to encourage and inspire them.
- Be honest and truthful with your employees at all times; don't sugarcoat the truth in an attempt to soften the blow of difficult news.
- When you make a promise, be sure to keep it. At the same time, be sure that you don't make promises that you can't keep.

What are you doing to energize your employees? Do you really know what your employees want? Are you responding to your employees' needs, or are you putting them on the back burner—either deferring these decisions until later or hoping they go away altogether? Remember, employees are your most important resource—a resource that is much more productive when it is energized.

EMPOWERING EMPLOYEES

The best (and the most effective) managers realize that they can get far more done—and get it done better, faster, and more cost effectively—by assigning their employees responsibility for accomplishing important tasks and goals, while providing them with the authority that they need to carry out those tasks and goals. It's not enough to assign a goal—employees must also be empowered to accomplish it. Here are some simple approaches to empowering your employees:

- *Put power in the hands of the people doing the work.* The employees closest to customers are in the best position to know what customers really need and, therefore, are in the best position to make decisions that have a direct impact on their customers.
- *Encourage individual responsibility for their contributions.* The flip side of putting power in the hands of the people doing the work is requiring employees to take responsibility for the quality of their work. When employees are trusted to play an active role in

their organization's leadership, they'll naturally respond by taking a personal interest in the quality of their work.

- *Create clarity of roles.* Before employees can be comfortable and effectively share leadership duties with others, they first have to be given clearly defined roles so that they know exactly what they are responsible for, as well as what others are responsible for.
- *Share and rotate leadership.* By moving people in and out of positions of leadership—depending on their particular talents and interests—you can tap the leadership potential that resides within every employee, particularly those employees who aren't a part of the organization's formal leadership hierarchy.
- *Seek consensus (and build creative systems that favor consensus).* One of the best ways to involve others in the leadership process is to invite them to play a real and important role in the discussions and debates that lead to making important organizational decisions. Seeking consensus requires time and a high level of participation and trust, and it results in better decisions that are more easily implemented.

SUPPORTING EMPLOYEES

While it's important to empower your employees—to give them responsibility to accomplish specific organizational tasks and goals along with the authority they need to accomplish them—it's not enough to simply make such assignments and then walk away. The best managers support their employees and act as continuing resources to help guide them on their way. If you don't provide your employees with the support they need, they may decide you don't care—lowering their trust and respect for you—and they may very well engage in activities that are counterproductive to what the organization hopes to achieve.

Here are a number of ways that you can and should support your employees:



ASK BOB AND PETER: What are the best ways for managers to improve communication in an organization?

There are two key aspects to improving communication in any organization. First, you must remove the barriers to communication. What are some common barriers? An “us” versus “them” mentality separating workers from management, an overly formal or strict hierarchy that discourages employees from bringing their ideas or opinions to the attention of management, and an environment of fear that causes workers to be afraid to try new things are just a few possibilities. Take a close look at your own organization and see which ones you find. Second, you must encourage communication within your organization in every way possible. Require your managers to communicate with their staff in a variety of different ways to let them know what’s going on. Be real at all times and deal with things as they come up. Invite regular workers to attend management meetings. Encourage managers to meet informally with workers over breakfast or lunch. Ask employees to make their opinions and suggestions for improvement known—and reward them when they do. Launch cross-functional teams of employees—from all levels of the organization—to work together to solve problems. If you take this two-step approach, you’ll go a long way toward improving communication in your organization.

- *Have frequent, personal contact with each of your employees.* Your employees won’t feel that they have your support if you don’t interact with them on a frequent basis. Some employees need more interaction than others, so it’s your job to determine how much to provide, to whom, and how often.
- *Recognize the true potential of your employees.* Take time to assess and help further develop your employees’ skills and interests, hopes, and dreams while correcting any shortfalls that they may

have. Help employees plan pathways to success within the organization, giving them personal goals that they can strive for.

- *Act on employee ideas and suggestions.* It's one thing to ask employees for their ideas and suggestions; it's another thing altogether to put those ideas and suggestions to use in your organization. Doing so not only can make your organization more effective, but also clearly demonstrates your support to your employees—a message that they will hear loud and clear.
- *Take time to ask employees what they really think about their jobs and about the leadership they receive from you and other managers.* Learning that employees are unhappy in their jobs or with their management team is of little use after an employee quits to take a job with another employer. It is critically important to get candid feedback from employees about their jobs and then to act on it whenever it is in the best interests of the organization.
- *Respect your employees, and treat them as valuable members of your team.* Employees know when you don't respect them or consider their opinions to be of value to the organization, and they will act accordingly when confronted with that realization—becoming demoralized, lowering their productivity, and perhaps even working against the goals of their employer.
- *Involve employees in making decisions that directly affect them.* While not every decision should involve every employee, you'll get far better buy-in and engagement when you give employees the opportunity to have an impact on decisions that directly affect them—improving the ultimate result and your bottom line.

Studies show that the one person who has the most influence on an employee is his or her boss. One of the main reasons talented employees leave organizations is that they feel they are not being supported by their managers. Don't allow this to become the reason that talented employees decide to leave your organization.

COMMUNICATING WITH EMPLOYEES

If there's one place where a great number of managers fail, it's in the area of communication. They don't set up effective communications systems and processes in their organizations; they don't encourage (or demand) their employees to communicate better with one another; and they themselves are ineffective communicators. But, in today's business-at-the-speed-of-light environment, good communication is not just something nice to have—it is absolutely essential.

Are you an effective communicator within your organization? Here are some ways to improve your communications:

- *Regularly inform management of your employees' real feelings, opinions, and ideas about important organizational issues.* Managers must have the best information possible when making decisions—flawed information often results in flawed decisions. This means communicating the real feelings, opinions, and ideas of your employees to your own managers—providing them with information that is not colored by your own biases.
- *Involve all of your employees in the decision-making process.* While it may be easier for managers to make decisions themselves—particularly decisions that have the greatest impact on an organization—better decisions often result when you involve all of your employees in the process. Ask for their input and use as much of it as you can.
- *Avoid blaming others when you have to give bad news to your employees.* How many times have you heard a manager say something like, “I fought against this new policy, but it was out of my hands,” only to later find out that he or she really didn't fight the decision but simply went along with it? It happens all the time. Instead of passing the buck, managers should be brave enough to honestly make their own views known—even if they just go along with what their managers decide.

THE REAL WORLD

John Lennon once reportedly said: “Life is what you do when you’re making other plans.” The same can be said of managing. Most every manager can share stories of a well-planned day or week that became completely consumed by a crisis of some sort—a glitch in production, a complaint by a key customer, an employee’s personal problem, to name just a few. Good managers know the importance of being flexible and focusing on those things that have to get done. At the same time, they try to learn from what happened to help prevent the same problem from recurring needlessly. This is a dance that must be learned: Keep at those things that *need* to be done while handling those things that *have* to be done, all while maintaining your sanity in the process!

- *When dealing with a difficult situation, have a face-to-face discussion instead of sending a memo or e-mail message or leaving a voice mail message.* Sending someone a written note or message or leaving a voice mail message is a far less personal way of communicating than simply speaking with someone face to face, and it often results in misunderstandings on the part of the person who receives the message. In difficult situations, face-to-face communication requires courage on the part of the manager, but it will result in better communication.
- *Do not let your own opinions and points of view interfere with hearing what someone else is saying.* It’s natural for managers to allow their opinions about others—the way they speak, look, or dress, or their reputation in the organization—to create biases that get in the way of communication. While it’s easier said than done (but no less important), it is important for managers to neutralize such biases and to be completely open to what their employees say.

- *Go out of your way to make employees comfortable in approaching and speaking with you.* It may be difficult for employees—especially low-status employees—to build up the courage to approach their bosses, much less to tell them what’s really on their minds. Make a point of encouraging your employees to approach you with their ideas, issues, and problems, and reward them by thanking them when they do.
- *Do not spend too much—or too little—time worrying about your organization’s rumor mill.* Every organization has both formal and informal communication systems. The rumor mill or grapevine, as it is sometimes called, is an important way for employees to communicate informally within organizations. As such, the rumor mill contains valuable information for managers, as well as no small amount of distorted or false information. Managers can keep their finger on the pulse of the organization by monitoring the rumor mill and should make a point of correcting false or distorted information whenever it is detected.

So, how did you do? If you have work to do in the communication department, we have good news for you—it’s the focus of Chapter 12 of this book.

POP QUIZ!

Being a manager today requires more than a casual acquaintance with human behavior and how to create an environment that will encourage and allow your employees to give their very best at all times. Reflect for a few moments on what you have learned in this chapter; then ask yourself the following questions:

1. Does your personal style of management incorporate more of the classic functions of managers or more of the new functions of managers? In what ways?

2. What do you do to energize your employees (or sap their enthusiasm)? Are you the type of manager *you'd* like to work for?
 3. Would your employees say that they are empowered? If not, what could you personally do to change their answer?
 4. In what visible ways do you support your employees? Would your employees agree with your response? Why or why not?
 5. Do you communicate openly and honestly with your employees? If not, what do you hide from them, and why? Remember, they can't read your mind, and you don't want them to have to try!
-

CHAPTER 2



The Challenge of Change

IT'S A NEW WORLD OUT THERE . . .

Change and . . .

How it can impact your organization, employees, and customers.

Understanding the nature of change on the job and your role in it.

Energizing employees and unleashing their potential.

Dealing with change.

Signs of resistance to change and how to get past these roadblocks.

Leading your team through a crisis.

CHANGE HAPPENS

Take a look at any list of new business books, and you're sure to see more than a few on the topic of change and how to deal with it. It's a simple fact of life that change is all around us. If there's one thing you can count on, it's that whatever business environment you're living in today (your customers' preferences, the names and nature of the competition, industry changes, access to resources, etc.) will be different tomorrow—sometimes in small ways, but often in significant ways.

Because the business environment is constantly changing, managers are increasingly expected not only to foresee these new conditions well in advance of their arrival but also to deal with them effectively when they arrive. Change puts a lot of weighty expectations—and pressure—on those in charge. While throughout most of the twentieth century, companies (and the managers who ran them) were rewarded for their conservatism and their resistance to change (large corporations such as General Motors, American Telephone & Telegraph [AT&T], and Sears Roebuck & Company were fortified islands built to stand up to even the largest waves of change), this is no longer the case. To survive, organizations can't ignore change and they cannot fight it. To survive—indeed, to thrive—organizations must anticipate change, prepare for it, and embrace it when it arrives.

And guess whose job it is to anticipate change, prepare for it, and embrace it? You. The manager.

THE FOUR PHASES OF DEALING WITH CHANGE

Change happens—there's nothing you can do to stop it or slow it down. While you can choose to ignore change or refuse to respond to it when

THE BIG PICTURE

GEORGE DAVID

Chairman and CEO, United Technologies Corporation

Question: What are some of the changes you've seen in business over the years?

Answer: A major change—especially in the last half-dozen years—is the impact of what I call the process revolution. And what we find is that revolutionary goals do work. When I was younger, the whole name of the game was the annual business plan negotiation with the parent company. All the divisions wanted to pare back the numbers, have the plan come in, and then cruise right past it and get a big bonus. That's the way American business worked for most of the postwar period—an incremental, few percentage points of improvement each year. What we've learned with the impact of the process revolution in the 1990s is that you can set and achieve revolutionary goals—breathtaking kinds of numbers. I can give you countless examples in the business world where you set a goal for, like, 100 percent improvement and doubling profit or halving cost and it actually happens.

Question: How do you effect revolutionary change like that?

Answer: I sometimes say that the first line of my job description is sales, and that's what I actually do every day, all day. And whether I'm selling stock to investors, products to customers, employment to young people, or new ideas to existing employees, it's all the same thing: I'm always doing sales. And what you look for, benchmarks, are a really good way to sell. That is, when you can see where you are today as compared to somebody else who is there, that's a very effective means of selling. When you have a hard discipline, like the process revolution, you can sell that effectively as well. I spend a lot of my life looking for gee-whiz examples—things that are real and persuasive—that people can buy into and say, "Okay, I believe that." It's much better than the sloganeering that you get sometimes, the motivational talk like we've got to try harder and so forth—stuff that's absolutely useless, and, in fact, it reminds me of all