

1-on-1 Management™:

**What Every Great Manager Knows
That You Don't**

Kelly Riggs

1-on-1 Management™:
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Introduction

Having read hundreds of books and articles on management and leadership, I suspect that the average manager—if there is such a thing—finds it difficult to discern which of the myriad of management concepts available on business bookshelves today would best suit him or her. More to the point, my experience is that these managers are often so busy with the demands of managing a business or a department that personal development is relegated to the occasional training seminar, if that.

So, why another management book? One very good reason is that the “average manager” does not work at a Fortune 500 company, but is employed in the other 99 per cent of the business landscape—small to mid-size businesses. Eighty per cent of these businesses employ fewer than one hundred employees, and rarely do they benefit from the sophisticated, and costly, corporate training and development programs that big companies enjoy. The average manager lacks the resources—and the time—to develop the managerial and leadership skills they know would improve their performance. The 1-on-1 Management™ concepts introduced in this book provide an easy-to-understand, and easy-to-implement, methodology for developing essential managerial skills.

A second reason is that the average manager isn't looking

for theories or complicated management models. What they want—indeed, what they desperately need—is a step-by-step approach to effective management that creates real results: a set of proven management principles that can be used immediately to build trust, improve communication, and create a positive work environment. 1-on-1 Management™ is such a tool.

Background

The catalyst to translate these ideas into a book came from a meeting with a client in the fall of 2006. As we reviewed a training session for the company’s management team, the president of the company revealed that the real eye-opener for him was a very simple idea—meeting consistently, one-on-one, with individual employees to review activity and preview upcoming projects. While this concept is hardly revolutionary, it occurred to me that very few businesses actually engage their employees in a one-on-one fashion. At the same time, the most consistent management problem that organizations face is disengaged employees. Might there be a correlation?

While one-on-*many* meetings are a staple of the business world, I believe that trust, effective communication, and professional growth are most effectively accomplished one-on-one. It is one of the critical cornerstones of my own training and management philosophy, and one that I learned very early in my career.

David Maister, identified in the management text *Business Minds*¹ as one of the top forty business thinkers in the world, has said that “the only managerial activities worthy of the name are one-on-one; everything else is window dressing.”² Stun-

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ning in its simplicity, this concept is a key to developing high performance teams. Indeed, I'm convinced that this is the core of what every great manager knows about management: activities, projects, and processes can be directed in a one-on-many fashion, but people management and individual development is most effectively accomplished by engaging employees one-on-one.

After twenty-five years in the business world, I can safely say that much of what I have learned has come directly from my own personal mistakes, but like you, I'm sure, I have also experienced my share of less-than-inspiring leaders. I suspect that it is the rare individual that doesn't experience a bad manager, mentor, or role model somewhere in life, but I am also convinced that these individuals serve a useful purpose in of our personal development. After all, the great military leader General H. Norman Schwarzkopf once observed that you can learn as much from a bad leader as a good one! Unquestionably, though, I think we can agree that it is the truly exceptional leaders that dramatically impact and focus our careers.

Early in my business career, I was privileged to work for such a manager, a person who understood and practiced the idea of one-on-one management. A regional sales manager named Tom Corcoran hired me to work as a sales representative for Sweetheart Cup, later a division of Fort Howard Paper, and he was my introduction to what every great manager knows. When I was only twenty-three years old, Tom unwittingly laid the foundation for my business success and, as it turns out, for this book. In the time that I worked for him, he encouraged me to grow personally and professionally, took personal steps to help me do just that, and consistently engaged me in one-on-

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one meetings to review my progress and establish new learning objectives.

Frankly, the success principles of effective managers are not difficult to comprehend, but, like many great business concepts, the complexity is not in the idea itself but in its execution—as we shall soon see.

The fact is most managers see the management process as akin to moving chess pieces on a board—allocating resources, assigning projects, delegating responsibilities, driving the bottom line, and, of course, conducting endless one-on-*many* meetings. The truly great manager sees most of these activities as secondary to their real responsibilities—to grow employees, unleash their potential, and construct a work environment that permits individuals to multiply their effectiveness. These high performance managers excel at identifying talent, providing the resources for success, and developing their employees' innate capabilities.

This book obviously does not make any claims to a new theory of management; it is simply a distillation of ideas that great managers—head coaches, military officers, business owners, chief executives, department heads, volunteer leaders—have always known and executed. While the simplicity of these concepts may be disarming, their successful execution requires a steadfast belief in people and their abilities—something that many managers are simply unwilling or unable to develop. Managing without trust is like asking someone to be committed to a cause without providing them with any reason whatsoever to do so.

So, what does this book offer to the reader? First, it provides a simple, but effective methodology for creating a workplace

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environment of trust and developing the basic people skills that characterize effective leaders. Second, it provides managers with the opportunity to dramatically improve the performance of their department or business unit as they learn to unlock the hidden potential of talented employees. Third, the concepts presented here help alleviate a great deal of the stress associated with managing people. In understanding the employee's perspective of the workplace, managers will learn to lead employees in a positive and proactive way that will create an atmosphere of commitment and accountability.

Our journey begins by looking at the traditional path to management that dominates the business landscape (Chapter 1), and then we will explore the reasons that a significant percentage of employees are disconnected, disengaged, and disinterested in driving corporate objectives (Chapter 2). Next, we will discover what employees really want—in fact, desperately need—to become engaged and productive in the workplace (Chapter 3). Then, I will introduce the concepts of 1-on-1 Management™ (Chapter 4), before discussing the critical importance of communication in effective management (Chapters 5 through 8). The remainder of the book will be dedicated to outlining the simple, yet profound, 1-on-1 Management™ principles that great managers utilize successfully.

Engaging employees one-on-one and learning the principles of developing talent will put you in a league of your own as a manager. It is a sad reminder of the far distant industrial age, where most modern management principles were first developed, that many managers still see themselves as the boss that barks out orders, demands respect and obedience, and thrashes those that fall short of perfection.

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It is my hope that this book will challenge you to see 1-on-1 Management™ as an effective way to build a vibrant and productive company, business unit, or department. These concepts may be more difficult than simply issuing ultimatums and demanding compliance, but managers generally agree that a company or department can only be as good as the individuals on the team. With that in mind, it follows that growing those individuals is the key to a high performance organization.

A simple concept, yes, but one that requires a wise and talented manager to execute it successfully.

Perhaps that is why great managers are so rare.

The Path to Management

Management: the process of getting things done
through other people

“So much of what we call management consists of making it difficult
for people to work.”

—Peter Drucker

Even in this age of advanced technology, where the distribution of knowledge far outstrips our ability to absorb it, there is a deep chasm between the understanding of what management is and what its practical applications are in the workplace. We do not have to look far to find the origins of this misunderstanding. Consider this classic definition of “management”:

Management (from Old French *ménagement* “the art of conducting, directing”, from Latin *manu agere* “to lead by the hand”): characterizes the process of leading and directing all or part of an organization, often a business, through the deployment and manipulation of resources (human, financial, material, intellectual or intangible)³

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Of course! Management is about conducting or directing! Can you visualize yourself as a manager in front of a group of employees, telling them when to “play” and when to stop? How softly and at what tempo? An orchestra responding to your every whim. Or, can you see yourself “directing” those employees? When to speak and which lines to use? What emotions to display and how to act out the scene just so? A cast of characters waiting for your next cue.

Worse, though, is this idea of employees as “human” resources to be manipulated, alongside financial, material, intellectual, and intangible resources. Employees are viewed as chess pieces to be deployed: sacrificing a pawn to save a knight, or moving a rook across the board to pin the queen. This approach treats human beings as resources to expend or allocate as needed—exactly like raw materials or financial instruments.

It is interesting to note the Latin etymology of the word management: manu agere, “to lead by the hand”. Here, we find a sense of the word that includes people in ways other than as pawns or players. While “leading by the hand” may conjure up images of teaching children, the idea extends deeper than we first perceive. Leading by the hand implies trust. It implies caring and understanding. It implies teaching and learning—until the individual reaches the point of no longer needing to be taught.

To be sure, managers “manage” processes in the course of work, but in the final analysis managers are responsible for getting things done through people. Period. To be effective with people, managers must learn a set of skills that enable them to build trust, forge relationships, teach and coach, and communicate effectively.

Assessing Managers

Ask any employee to describe or assess his or her manager and the odds are pretty good that you will get an answer deserving of an “R” rating. Although you may occasionally get exactly the opposite—a glowing review suitable for framing—employee surveys support the notion that managers as a whole are not exactly held in the highest esteem. According to a 2005 Conference Board Report, less than one-third of all supervisors and managers were perceived to be strong leaders.⁴

Less than one in three. A one-in-three batting average may get you in the Baseball Hall of Fame, but, as a business owner, one-in-three effective managers will get you broke in a hurry.

Why do employees have such a poor view of managers? I am certain there are a number of variables to consider—competence, integrity, personalities, dependability, etc.—but I suspect that the most compelling factor is likely the ability (or more accurately, the inability) to deal with people. People skills. What author Daniel Goleman calls “emotional intelligence”, or being intelligent about emotions.⁵ In his book, *Primal Leadership: Realizing the Power of Emotional Intelligence*, Goleman states:

Emotional self-awareness creates leaders who are authentic, able to give advice that is genuinely in the employee’s best interest rather than advice that leaves the person feeling manipulated or even attacked. And empathy means leaders listen first before reacting or giving feedback, which allows the interaction to stay on target.⁶

Emotional self-awareness? I will wager that the typical management promotion decision does not consider this particular competency, but look closely at what Goleman is describing: “the employee’s best interest”, “empathy”, and “listen first before reacting” are, quite simply, *people skills*. These are the skills that allow managers to connect with employees and understand their needs. These leaders develop trust because they value people and actively cultivate the skills to create that trust.

These are the skills that managers don’t have, fail to develop, or simply do not care about. We will look more closely at what employees really need in the workplace in Chapter 3, but for now it will suffice to say that they don’t seem to be getting much of it. Only one-third of supervisors and managers are perceived to be strong leaders. Read between the lines: if the supervisors and managers aren’t strong leaders, we may rightly conclude that their employees aren’t willing to follow them.

Management Qualifications

It is pretty absurd when you think about it, but a significant percentage of managers assume their new responsibilities without any meaningful training in the principles of people management. Frankly, as I talk to managers about how they reached their position, I find that it usually has little to do with the ability to lead, manage, or develop people, but is likely the result of other common factors or circumstances. Most commonly, managers are chosen from the ranks of achievers or from those with highly developed knowledge or skills. While it is true that a manager should be competent, if not superlative,

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in the skills and/or knowledge necessary to work in their area of responsibility, does it necessarily follow that this individual will necessarily become an effective and successful manager?

My own experience is exemplary of the process through which one is typically promoted to management. In November 1985, I was hired by an orthopedic products company based in northern California to be their sales representative for Oklahoma, Missouri, and Arkansas. After fourteen months of struggling to learn the company's products and build relationships with orthopedic surgeons in three states, I finally hit my stride in December 1986, finishing the month as the top sales representative in the company.

The momentum continued into 1987 and I finished the year as the No. 1 sales representative in the country, setting a couple of sales records in the process, and, more importantly for me, achieving the top level of the coveted President's Club Award for the first time in the company's history. The recognition for being No. 1 was terrific, but the President's Club Award also included an all-expenses paid vacation to Hawaii. Thanks, boss!

The following year I repeated as the top sales rep in the country—this time sharing the top slot with a good friend, an incredibly talented sales rep in Colorado—and once again I achieved the top level of the President's Club. Then, early in 1989, the company did what most companies tend to do when they need a manager—they offered to promote me, a top producer, to an open management position.

1st Question: Other than being a top sales performer, what were my qualifications to fill a role that required me to manage several people?

2nd Question: How much training did the company provide to develop me as a sales manager?

Answer to both questions: Zip.

What is telling in my circumstance is the conversation I had with the owner of the company two years later. He told me that he didn't really know if I would make a good manager, but he thought I deserved the opportunity. This is, in fact, the norm for small and medium-sized businesses. While we may not be sure if an individual can or will be a good manager, we believe that their achievement, knowledge, or skills should allow them the opportunity to "move up."

Understand that I am not asserting that a high achiever or technical wizard can't or won't be a good manager. I am simply pointing out that people development skills have to be learned like any other, and they are absolutely necessary to management success. In my experience, it is not at all uncommon for the opportunity to "move up" to turn into a disaster, with the frustrated manager returning to the employee ranks or, worse, leaving the company.

College Degrees Don't Seem to Help

OK, so you have identified an individual in the organization that you would like to promote to management, and to your great delight you learn that he or she has a college degree in a business-related field! Obviously, this candidate will have a solid grasp of management fundamentals, right?

Think again.

In college you are taught extensively about what management is; but, how to be a manager? Forget it.

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The typical college text describes the functions of a manager as planning, organizing, leading, and controlling—a lovely word for managing people, don't you think? These texts contain a detailed description of the origins of modern management principles, followed by expansive discussions of current thought regarding those four functions. So, the student is led to understand what management is about and is exposed to various ideas about planning systems, organizational theory, leadership concepts and control mechanisms, but absolutely nothing about how to *become* an effective manager. The student will rarely, if ever, delve into the books or materials that will provide them with some understanding of the real tools necessary to successfully manage people.⁸

How about a business school graduate? Great management material, wouldn't you think? Henry Mintzberg, Cleghorn Professor of Management Studies at McGill University in Montreal and author of the 2003 book *Managers, Not MBAs*, is considered one of the world's best-known management scholars.⁹ In an interview with the *Conference Board Review*, Mintzberg observed that:

The typical business school today is concerned with business functions, not management. Certainly managers have to understand business functions—marketing, accounting, sales, and so on—but the practice of business is not the same as the practice of management. Mixing all these functions together in a person is not going to produce a manager.¹⁰

An astonishing insight, to be sure. Concerning those MBA graduates, Mintzberg adds, “There's not much evidence that

these people have managerial skills or even that they truly want to be managers.”¹¹

Great! We are left to conclude that, generally speaking, neither college degrees nor business schools adequately prepare an individual to manage people. Manage business functions? Yes. Manage core processes? Sure. Manage people? Not so much.

Conclusion

Interacting with managers of different levels of responsibility in several industries, I have consistently heard the same complaint voiced over and over again: “I know how to do the technical aspects of my job very well, but I have never been trained in how to deal effectively with employees.” Many managers seem to clearly recognize the challenges they face in balancing performance expectations against employee satisfaction, but few have any idea as to how they should address those challenges.

This is the reality of most managers: having worked extremely hard to be recognized and promoted for their accomplishments or specialized technical skills, they will almost automatically (in the absence of training) continue to derive their own personal value in the company from those “qualifications”—answering questions, solving problems, and becoming the technical “go-to” person in the department. This sense of being “in charge”—dispensing answers, resolving problems, directing traffic—makes a manager feel needed and valued, but fails to capture the potential of the employees or develop the full capacity of the team!

In fact, it creates a predictable and significant bottleneck in workplace productivity, since team members consistently fail

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to develop their own problem solving skills (we certainly can't have employees making mistakes, can we?), and employees learn not to act without managerial approval. While this may describe nirvana for the enthusiastic micro-manager, otherwise talented and capable employees become dependent on the resident expert, the manager, for completion of difficult or challenging assignments.

The end-result of this scenario is a distrust that slowly seeps into the organization and erodes it from within.

1-on-1 Insights™

- Management is about leading people. Period. Your technical skills were valuable in your previous position and they will be valuable as a manager, but the reason you were promoted was to manage people.
- People management is a skill that must be learned; it doesn't come gift-wrapped alongside your achievements or with the development of specialized knowledge or skills.
- Solving problems is a useful *skill* for a manager; developing employees and empowering them to think for themselves is real management.

Workplace Challenges

Influence: the power of producing a desired effect
in an indirect or intangible way

“I believe the real difference between success and failure in a corporation can be very often traced to the question of how well the organization brings out the great energies and talents of its people.”

—Thomas J. Watson, Jr.

Leadership is influence.

So says John Maxwell, recognized leadership authority and successful author (twelve million books sold).

So says Kenneth Blanchard, author of *One Minute Manager* (seven million copies sold).

So says Stephen Covey, author of *7 Habits of Highly Effective People* (fifteen million copies sold).

Get the picture? By just about anyone’s definition, leadership is influence.

Let’s take a closer look at the definition of influence: *the power of producing an effect in an indirect way*.¹² Doesn’t that sound a whole lot like what managers do? It sounds like “get-

ting things done (*producing an effect*) through other people (*in an indirect way*)”, wouldn’t you agree?

In fact, introductory management texts teach that one of the primary components of management is leadership, along with the functions of planning, organizing, and controlling. While there are pundits who assert that managing and leading are two different things, Management 101 at any college or university teaches us that leadership is a component part of the management process. Although a leader may not necessarily manage people, we can safely say that managers *are* leaders so long as they have any responsibility for employees!

So, what is the point? Since leadership is influence and managers are necessarily leaders, we can rightly conclude that management is influence—the power of producing an effect in an indirect or intangible way. *The question is, how much training does the average manager receive in the skills of developing influence?* Evidently, not nearly enough, at least from the employee’s perspective. According to a 2005 Conference Board Report, employee workplace satisfaction continues to decline at an alarming rate. Consider these findings:

- Only 50 percent of workers were satisfied with their jobs in 2004, compared to 60 percent in 1995.
- 40 percent of workers feel disconnected from their employers.
- Two out of three employees are not motivated to drive their employer’s business goals.
- 25 percent are just showing up to collect a check.¹³

Workplace Challenges

According to this report, employees are increasingly disconnected, disengaged, and disinterested in the company's business objectives. The important, and logical, question to ask is "Why?" Why are employees disengaged? Is there a common factor that creates the dismal picture painted by these statistics?

I believe there is a common factor, and I believe the study clearly answers both of our questions for us. This is the same study in which employees reported that only one out of three managers are considered to be effective leader. There is your answer—clear, concise, and easy-to-understand. How common is it for members of *any* organization to produce great results for a poor leader? How satisfying or rewarding is it to work in any organization—of any kind—that has poor leadership? Poor leadership eventually results in disengaged, disinterested, and poor performing organizations.

Now consider your own company or department. What is the impact on your workplace productivity if two out of three employees in your company are not motivated to drive your business goals? As we discussed in Chapter 1, today's managers not only find themselves in a role for which they may not be adequately prepared, but they may also be given responsibility for a group of employees who couldn't care less about the success of the company.

It gets worse. While disengaged employees represent a huge drain on workplace productivity, those costs multiply when employees leave the company and must be replaced. Employee retention is now a significant workplace issue—one that will continue to grow in importance. A 2005 Emerging Workforce Study compiled by recruiting and staffing firm Spherion, revealed the following:

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- Only 44% of U.S. workers believe their companies are taking steps to retain them and 31% believe there is a turnover problem at their company already.
- Only 34% of HR managers mention turnover/retention as a key HR concern.
- While employers expect only 14% of their workers to leave the company in the next year, nearly 40% of U.S. workers indicate their intention to find a new job in the next twelve months.¹⁴

With so much at stake, what is your company doing now to prepare? As the competition for top employee talent increases, it is not at all inconceivable that savvy competitors will target your critical employees and key leaders and lure them to a workplace that is more fulfilling, more rewarding, and more conducive to personal growth. What would the loss of several key employees do to your ability to compete effectively in the marketplace?

In 2002, the *MIT Sloan Management Review* published the following in an article entitled “Building Competitive Advantage through People”:

There is a surplus of capital chasing a scarcity of talented people and the knowledge they possess. In today’s economy, that is the constraining—and therefore strategic—resource.¹⁵

Geoffrey Colvin, senior editor of *Fortune* magazine, agrees: “After 500 years or so, the scarcest, most valuable resource in business is no longer financial capital. It’s talent.”¹⁶

Workplace Challenges

One thing is certain—the labor climate is unlikely to change any time soon. While it is hard enough to find and attract talented employees today, according to Bureau of Labor statistics, employment opportunities will outstrip available workers to the tune of ten million jobs by 2010.¹⁷

Leadership Defines an Organization

As we have discussed, managers are quite often placed into management roles with little or no leadership training, and employees are increasingly judging those managers to be ineffective. One of the first realities that a company must face is that *managers* are often the critical factor in the problems discussed above.

1-on-1 Principle™: Employees join companies, but they leave managers.

One ineffective, poorly prepared manager can have a devastating effect on an otherwise excellent company, not the least of which is the loss of talented employees. Best-selling authors Marcus Buckingham and Curt Coffman echo this idea in the book *First, Break All the Rules*:

People leave managers, not companies. So much money has been thrown at the challenge of keeping good people—in the form of better pay, better perks and better training—when, in the end, turnover is mostly a manager issue.¹⁸

Talk to an employee that is looking for greener pastures and they will often tell you they are simply searching for a “good company” or a “better company.” Further conversation will often reveal the presence of a manager that did not know how to deal with people. In fact, a “good company” really means “good manager” to most individuals. While there are dozens of reasons that talented people leave companies, more often than not, it has little to do with the work, the benefits, or even the pay. It is a failure of the manager—a failure to inspire; a failure to communicate; a failure to create opportunity; a failure to value employee contributions; a failure to develop potential. These failures ultimately influence the employee to pursue fulfillment elsewhere.

What is apparent is that *leadership defines an organization*. The hallmark of a strong, vibrant company is usually a cadre of strong, empathetic, people-focused leaders, while struggling companies will often have self-centered, arrogant, or hyper-critical leaders. Jim Collins describes it this way in *Good to Great*:

The moment a leader allows himself to become the primary reality people worry about, rather than reality being the primary reality, you have a recipe for mediocrity, or worse.¹⁹

A leader defines the organization by either becoming the “primary reality people worry about” or by making reality the primary reality. Translation? The priorities in an organization are determined by the leader, whether the top priority is him/her or something else. As a result, the people in any organizational unit will almost always be a fairly accurate reflection of the leader.

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After all, *people generally tend to do what is expected of them*, don't they? If the boss is critical, the employees are typically averse to risk or making decisions and they are often just as critical of others. If the boss is sensitive to people, the employees will often exhibit the same behavior. The average owner or manager tends to choose employees that share similar personalities and character traits.

Prove it to yourself. With few exceptions, I think you can spend five or ten minutes with the people in just about any business office or department and probably get a good grasp of what the boss is like and what he or she considers to be important. For example, if you can't find anyone to help you in a retail store (or worse, you are just being ignored), chances are pretty good the boss doesn't have very high expectations for customer service. Instead of focusing on the customer, you may find the employees diligently stocking shelves or doing other busy work, oblivious to the needs of the customer. These actions, more often than not, reflect the business priorities mandated to the employee by the owner or manager rather than the decision of the employee.

1-on-1 Principle™: Organizations will directly reflect the values and personality of the leader.

Your leadership—as a manager, owner, or executive—defines your organization. Your people are a reflection of you. Whatever is important to you will be important to them. *Look carefully at what motivates you, and you will probably see it in your organization.* If you are highly critical, your staff will most likely operate out of fear and hesitate to solve problems

for your customers. If you tend to accept mediocre work from one employee, you will probably see mediocrity creep into the organization as your staff realizes that excellence is not expected or rewarded. Worse yet, if you demand one set of behaviors and reward a different set of behaviors, the workplace will constantly be in turmoil.

So, if employees are generally dissatisfied with their jobs and disinterested in your company's business objectives, whose fault is it?

Three hints: Who hired them? Who trained them? Who leads them?

Conclusion

Perhaps one of the most pervasive comments heard from managers and business owners is that employees just don't have any "commitment" to the company. The reasons ascribed to this problem usually boil down to something like the following: "Generation X or Y or Z (or MTV, or whatever the appropriate label) just isn't motivated", or, "you just can't find good employees any more." From this perspective, the lack of commitment is the employee's fault, and is caused by a lack of motivation or an entitlement mentality or something similar.

Certainly, the evidence suggests that there is some truth to this idea. After all, the Conference Board statistics detailed above certainly seem to outline a lack of employee commitment. However, the real issue is not really whether the employee is, or is not, committed to the company, but who is ultimately responsible for the lack of commitment?

Here is the bottom line: good employees are difficult to

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find, and ineffective managers are putting those employees at risk. Great managers, however, know how to attract, retain, and develop talented employees, and that is the silver lining in this scenario. Companies that solve the riddle of employee satisfaction will have a distinct competitive advantage in the marketplace! When owners or managers can accurately determine what really motivates employees to become committed to the company's mission, vision and values, they will be in the enviable position of being able to positively influence employees and unleash their potential.

For now, we can safely assert that managers are mostly failing with employees: failing to effectively lead, failing to exert positive influence, and failing to communicate a compelling vision that motivates employees to drive business goals.

In the next chapter, we will undertake the mission of finding out what *really* motivates employees.

1-on-1 Insights™

- Management is influence. To be a good manager, one must learn and develop the skills that develop the capacity to influence employees.
- If employees are disconnected and disengaged, take a closer look at the company's management—at all levels.
- A single ineffective manager can compromise your competitive advantages and negate your most important strategic asset—talented employees.
- Leadership defines an organization. Good, bad, or non-existent, organizations reflect the influence of their leaders.

What Employees Really Want at Work

A committed employee is motivated by shared purpose.
A compliant employee is motivated by fear.

“The deepest craving in human nature is the craving
to be appreciated.”

—William James (1842-1910)

One under-performing employee has the capacity to derail the most resourceful organization. Companies with innovative products and services, state-of-the-art facilities, overflowing advertising budgets, and even the very finest customer support systems, can be sorely compromised by disengaged or disconnected employees.

Typically, there are two solutions to this problem.

The first is to simply replace an employee with a more talented one. No arguments here, if talent is truly the issue. There is no doubt that an organization can never be what its employees are not. Mediocre employees make for a mediocre company. The only question here is whether or not the employee is the real issue.

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The second is to tighten the screws: more controls, more rules, more management oversight. This approach will get you plenty of argument from me. This tactic might produce some short-term gains—maybe—but the long-term damage to the organization may be irreversible. Why? Talented employees do not want to be micro-managed, and you cannot get the maximum performance out of employees by dictating every behavior. They will eventually leave—or worse.

If you believe that tighter controls and rigid, inflexible rules produce more productive employees, I would suggest that you have your head in the sand or your sense of value as a manager is found in barking orders and demanding compliance. I would also suggest that it makes little sense to do more of exactly what created the problem in the first place. Disengagement is a condition that is created, not one that exists. Show me a company full of disengaged employees, and I will show you an organization whose leaders have created the problem. Every time.

There is, of course, a third solution to disengaged employees, and that is to hire or train managers who understand how to engage employees. The evidence in the workplace is simply overwhelming—companies cannot lower costs, improve quality, super-serve the customer, or create innovative solutions over the long term without committed, engaged, enthusiastic employees.

In fact, Jack Welch's success as CEO at General Electric was in very large part due to his personnel strategy: to hire the very best employees, give them a mission, and get out of the way. *Business Week* shared his story in 1998:

What Employees Really Want at Work

Less well understood, however, is how Jack Welch (was) able to wield so much *influence* [italics mine] and power over the most far-flung, complex organization in all of American business. Many managers struggle daily to lead and motivate mere handfuls of people. Many CEOs wrestle to squeeze just average performance from companies a fraction of GE's size. How does Welch, who sits atop a business empire with \$304 billion in assets, \$89.3 billion in sales, and 276,000 employees scattered in more than 100 countries around the globe, do it?

He does it through sheer force of personality, coupled with an unbridled passion for winning the game of business and a keen attention to details many chieftains would simply overlook. He does it because he encourages near-brutal candor in the meetings he holds to guide the company through each work year. *And he does it because, above all else, he's a fierce believer in the power of his people* [italics mine]."²⁰

What few people know about Welch is his own early experience as an engineer with General Electric. Over forty years ago, Welch had decided to leave GE—for exactly the reasons we discussed in the previous chapter:

John Francis Welch Jr. had worked for General Electric not much more than a year when in 1961 he abruptly quit his \$10,500 job as a junior engineer in Pittsfield, Mass. He felt stifled by the company's bureaucracy, underappreciated by his boss, and offended by the civil service-style \$1,000 raise he was given. Welch wanted out, and to get out he had accepted a job offer from International Minerals & Chemicals in Skokie, Ill.

But Reuben Guttoff, then a young executive a layer up from Welch, had other ideas. He had been mightily impressed by the young upstart and was shocked to hear of his impending departure and farewell party just two days away. Desperate to keep him, Guttoff coaxed Welch and his wife, Carolyn, out to dinner that night. For four straight hours at the Yellow Aster in Pittsfield, he made his pitch: Guttoff swore he would prevent Welch from being entangled in GE red tape and vowed to create for him a small-company environment with big-company resources. These were themes that would later dominate Welch's own thinking as CEO.

"Trust me," Guttoff remembers pleading. "As long as I am here, you are going to get a shot to operate with the best of the big company and the worst part of it pushed aside."

"Well, you are on trial," retorted Welch.

"I'm glad to be on trial," Guttoff said. "To try to keep you here is important."²¹

If not for Reuben Guttoff—an unsung middle manager who understood what employees need to reach their potential and find fulfillment in the workplace—Jack Welch would have been lost to GE.

What Do Employees Want?

Let's dispense with the obvious answer first. Employees want to be paid well. They also want excellent benefits. Without question, those two things are written in bedrock. In fact, if you

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look at any number of employee surveys across all industries, compensation and benefits are most often the two most important items with regard to employee job satisfaction.

However, a word of caution—this data, in a vacuum, can be misleading.

When employees are asked to take surveys on items that relate to their personal job satisfaction, they are instructed to score each of them—things like compensation, benefits, job security, challenging work, relationship with the manager, etc.—on a scale of 1 to 5 (or, using five degrees of importance, ranging from very unimportant to very important). Using this survey methodology, compensation and benefits will almost universally be ranked as “very important”. After all, don’t we all want to get paid? Aren’t good benefits and good pay *very important*?

Every year for the last five years, the Society for Human Resource Management (SHRM) has published their Job Satisfaction Survey Report identifying the top job satisfaction indicators. Each year, benefits and compensation are ranked by nearly two out of three employees surveyed as “very important”, and were the top two factors in job satisfaction, respectively, in 2005.²²

David Sirota, author of *The Enthusiastic Employee: How Companies Profit by Giving Employees What They Want*, confirmed the importance of employee compensation and benefits in an interview with Knowledge@Wharton in 2005:

We find there are three basic goals of people at work. First, to be treated fairly. We call that equity. Employees want to know they are getting fair pay, which is normally defined as

competitive pay. They want benefits and job security. These days, employees especially need medical benefits, so those have become significant.²³

I seriously doubt that anyone would fail to see the necessity of respectable compensation when considering an employee's job satisfaction. However, a potential problem is that many employers tend to think that compensation is the *only* issue that relates to job satisfaction.

It is also noteworthy to examine the methodology of the typical job satisfaction survey. Each item in the survey is rated completely independent of the others factors. In other words, all twenty-one items in the SHRM Job Satisfaction Survey could theoretically be rated "very important" to the employee. But what would the results be if each item had to be ranked against each other—from 1 (most important to my job satisfaction) to twenty-one (least important to my job satisfaction)?

Other Considerations

Of course, the 2005 SHRM Job Satisfaction survey reveals other factors that are "very important" to employee job satisfaction. For instance, six out of ten employees in the SHRM survey rated "Flexibility to Balance Work and Life Issues" as being "very important" and third overall in importance to job satisfaction. "Job Security" and "Feeling Safe in the Work Environment" finished fourth and fifth respectively in terms of job satisfaction.²⁴

In 2004, the Stanford Graduate School of Business published research demonstrating that even graduating MBAs

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look beyond compensation (maybe they can afford to) when considering job satisfaction:

Intellectual challenge topped the list as the most important attribute for MBAs in their job choice decision. Interestingly enough, the financial package was only 80 percent as important as intellectual challenge.

Even more surprising was that reputation for ethics and caring about employees both rose to the top third of the list of 14 attributes, proving to be approximately 77 percent as important as the top criterion of intellectual challenge. Moreover, more than 97 percent of the MBAs in the sample said they were willing to forgo financial benefits to work for an organization with a better reputation for corporate social responsibility and ethics.²⁵

Intellectual challenge, reputation for ethics, caring about employees—these are items that MBAs were willing to forego part of their salary to obtain. From one industry to another, from one position to another, from one pay grade to another—there are likely a number of items that would be considered important or very important when measuring job satisfaction.

Thus, it is evident that there are significant dynamics in play with regard to employee job satisfaction that extend well beyond compensation and benefits. Although employers should never lose sight of the importance of pay, it is clear that the factors that contribute to employee job satisfaction are more complex than we might first believe.

As I alluded to earlier, there is a very different type of survey

that will generate a much different perspective on motivating employees.

What Do Employees Really Want?

In 1946, the Labor Relations Institute of New York surveyed employees to determine what was important to them at work, but, unlike the SHRM survey, they asked that the following ten items be ranked in order of importance from one (most important) to ten (least important). Here are the results:

What Employees Want at Work

1. Full appreciation for work done
2. Feeling “in” on things
3. Sympathetic help on personal problems
4. Job security
5. Good wages
6. Interesting work
7. Promotion/growth opportunities
8. Personal loyalty to workers
9. Good working conditions
10. Tactful discipline²⁶

Look very closely at this list. The first three items are profoundly revealing. If we could step outside of the workplace for a moment, we would recognize these things as simply generic human needs. Employees want to be appreciated or valued

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for their contributions. They want to know what is going on and feel like they are a part of things, and they want people to understand that life outside of work has an impact on their attitude and work performance.

At least that was so in 1946. Sixty years ago. But a few things have changed in that time span, don't you know? Personal computers, wireless phones, Blackberry and Bluetooth, flex-time, the Family Medical Leave Act. This is a new era, with completely new challenges. Right?

Not so much. This particular survey has been replicated several times—in the 80s, the 90s, and most recently in 2001—with almost identical results.²⁷ Big surprise. People are people, and it is unlikely that basic human needs are going to change much. Even in today's workplace, with all of the technology we could possibly imagine, we still have basic needs. To be valued. To be appreciated. To be listened to.

By the way, compensation is fifth on this list—high enough to be important, as I mentioned earlier. Employees definitely care about getting paid. The interesting fact is that employers were surveyed as well and given the same list of items to rank, but they ranked compensation as the most important element in employee job satisfaction. They ranked the first two items—those most important to employees—at eighth and ninth, respectively.

1-on-1 Principle™: Employees are human beings. They never lose the need to feel valued, to be recognized, and to be encouraged

Some employers, however, have gotten the message. One good example is Chuck Knight, CEO of St. Louis-based Emer-

son Electric from 1973 to 2000. During his tenure as chief executive, he led Emerson through the second half of an almost unprecedented business winning streak—forty three consecutive years of annual increases in earnings per share and dividends per share. In 2006, *McKinsey Quarterly* interviewed Knight and asked him specifically what actions a company should take to retain talented employees:

Make it hard for them to leave. At Emerson, part of that is finding opportunities for people—for example, challenging jobs in other divisions.

But the environment here is really the key to retention, and I wish I could explain it better. We're a demanding company, but we're fair. I mean, I could be pretty tough with a group in a planning conference but then have dinner and drinks with them afterward, and nobody would remember how tough the discussion was. It wasn't personal, nobody got fired, and the next day everybody was working to get the plan on track.

We really do care about our people. We worry about them. For example, we do a survey every two years to gauge the attitudes of our employees. We do this everywhere, at every plant, for hourly employees as well as salaried. And we track the results. If there are bad managers or supervisors out there, it shows up and we either fix the problem or get rid of them. If there's an issue, we see it and deal with it. That's one reason why very few of our plants are unionized—our employees are satisfied.²⁸

The Role of Management

Knight recognized that managers play a critical role in employee retention. Management issues—specifically, people management issues—are vital to the success of a company. As we have asserted, people join companies, but they leave managers. Undoubtedly, companies throughout the nation watched bewildered as talented employees leave for competitors, discovering too late that the problem is not the employee, but the employee’s manager.

The traditional approach to managing people, sometimes described as the “command and control” model, is steeped in the ancient history of management practices developed near the dawn of the industrial age, when employees were often asked to complete only one basic function or task. Employees were ecstatic to have a job, even a boring, repetitive one. Compliance as a means of motivation was effective for a simple reason—to lose a job meant going hungry.

The ensuing development of management techniques revolved around time-and-motion studies, improvements in efficiencies, and other strategies to improve productivity. Universally, these concepts were recognized as important and necessary steps in the development of business management, but today’s workplace and today’s employees are a far cry from the Ford plant in the early twentieth century.

In 1997, Margaret Wheatley, author of *Leadership and the New Science*, published a compelling article regarding changes in management techniques:

We have known for nearly half a century that self-managed teams are far more productive than any other form of organizing. There is a clear correlation between participation and productivity; in fact, productivity gains in truly self-managed work environments are at minimum 35 percent higher than in traditionally managed organizations.²⁹

With evidence of a “clear correlation” between employee participation and dramatic improvements in employee performance, why isn’t corporate America rushing to make organizational changes? Ms. Wheatley answers this way:

. . . (control) mechanisms seem to derive from our fear—our fear of one another, of a harsh competitive world, and of the natural processes of growth and change that confront us daily. Years of such fear have resulted in these byzantine systems. We never effectively control people with these systems, but we certainly stop a lot of good work from getting done.³⁰

Conclusion

The root causes for ineffective managers and disenfranchised employees are mostly systemic, with the blame resting squarely on the flawed process that routinely puts people into management slots without adequate preparation or training. Companies need managers to be sure, but to prosper in an increasingly unforgiving marketplace, companies need those managers to be strong *leaders*. Without adequate training in people development, managers are handicapped in their capac-

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ity to reach their own potential, much less the potential of those that work for them.

However, savvy managers recognize what got them promoted in the first place—specialized knowledge, highly developed skills, or capabilities that produced results for the company. Therefore, their management style will typically reflect that strength. Think about the general impression that people have of what managers do. Don't we generally visualize a manager as a decision maker, the person who provides answers, the one person in the department who can solve the problems encountered on the job? Rather than building the capabilities of the team or department, most new managers will simply continue to assert the skills and knowledge that got them recognized in the first place. It is not uncommon for the new manager to derive his or her own personal value from being a “super-technician,” the person with all of the answers.

The fallout from this all-too-common situation is that talented employees get bored and search for avenues to develop their latent potential, which leads to turnover, or worse. It is not uncommon for these disengaged employees to become the nexus for dissension and turmoil in the workplace.

While talented employees are already scarce, it is only going to get worse. Several industries (banking, accounting, and healthcare, for example) have already begun to feel the effects of too few trained professionals, and it will likely become a strategic concern for many more sectors in the near future.

The good news is that talented employees are starving for a place to work that will allow them to maximize their capabilities. If companies will train their managers to develop the skills that build trust, develop potential, and create a positive work

1-on-1 Management

culture, they will create a strategic advantage that is very difficult to duplicate. That is what this book was designed to do: give managers a crash course in developing real-world, 1-on-1 Management™ skills.

Let's get started.

1-on-1 Insights™

- Command-and-control management is dated and largely ineffective. Your competitors don't want you to figure this out. It is better for them if your talented employees join their workforce.
- Compensation and benefits are important to employees. Very important. But, in the final analysis, there are more important things.
- Employees need to be appreciated, listened to, and valued. Learn to do this effectively and you won't have problems keeping talented employees.