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THE LITTLE BOOK OF



BIG

**MANAGEMENT
THEORIES**

AND HOW TO USE THEM

JAMES MCGRATH AND BOB BATES

SECOND EDITION

THE LITTLE
BOOK OF BIG
MANAGEMENT
THEORIES



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James McGrath
Bob Bates

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For Eija, Michael, Helen, Patrick, Finbar and Tallulah. Also in memory of
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Bob now combines writing with working voluntary for a charity that promotes education and health in a village in The Gambia and on EU projects working with children in France, Romania and Turkey who, for various reasons, are failing to engage in education.

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INTRODUCTION

The sheer number of management theories makes it difficult for hard-pressed managers to separate great theories from passing fads. Unfortunately, even when a manager does find a great theory, it is unlikely that it will come with any advice on how to use it in the workplace. Welcome to the theory–practice gap, where managers are armed with the principles of good management but struggle to apply them. This book has been conceived and written to bridge this gap and help:

- the many real-world managers or would-be managers who didn't have the opportunity to do an MBA, are time starved, and simply want to know what the best and most important theories are and how to use them;
- those who have studied management science, and may be familiar with many of the theories, but are struggling to apply them in their business.

The book is short and punchy and has been ruthlessly stripped of all extraneous material. What's left is a description of 101 key management theories that every manager should know. Each theory is summarised and advice given on how to apply it in practice in a series of two-page spreads. This means that it will only take you five minutes to read, understand and be ready to use a theory. Not tomorrow or next week but now, today. All you need to do is give it a try. And if you're worried about making a mistake remember:

THE MANAGERS' MOTTO Failure is the price managers pay for future success. The only failure you can be criticised for is not trying.

Only theories that have repeatedly proved their value in the real world of work have been included in the book. Read, understand, reflect upon and use these theories and you'll be able to hold your own in management discussions with just about anyone.

SEVEN THINGS THIS BOOK WILL DO FOR YOU

The Little Book of Big Management Theories will:

- make you a better manager;
- help you motivate your staff and increase your influence over colleagues;
- increase your ability to get things done;
- get you out of a mental rut and provide you with the confidence to embrace new ideas, visions and ambitions;
- provide you with the key skills you need to demonstrate you are ready for promotion;
- increase your personal capital and earning power; and
- help you identify and understand your management style.

HOW THE BOOK IS ORGANISED

The book is divided into twelve sections. The first eleven deal with specific areas of management such as motivation or team building. The final section contains a miscellany of great theories, each of which could have been squeezed into one of the other sections. But we kept them separate because they are the all-rounders and can be used in many different situations. For example, the Pareto Principle is as useful when dealing with staff problems as it is in identifying who your important customers are.

Across all twelve sections you'll notice that there are two distinct types of theory discussed. In total about 20% deal with the realities of the environment in which you operate. Misread this and you'll find yourself in constant war with the organisation and achieve nothing. The other 80% are about improving your effectiveness as a manager. Get this right and your credibility will soar.

Each entry starts with a box telling you when/where you could use the theory. Obviously this is just a guide and we're sure you'll be able to see other uses. The entry ends with questions you should ask yourself. Many of the same questions apply to several entries, but we've tried to avoid repetition. That doesn't mean that you can't repeat the same questions. So, after you've read an entry, consider what other questions you could ask.

Naturally there are links and overlaps between the theories. To help you make these connections we've numbered each theory and use that as the linking reference. For example (see *Theory 11*) will send you to the entry on trait theory; whereas (see *Section 3*) will redirect you to Section 3 How to motivate staff.

Within each section one theory is crowned as king/queen of that section and at the end of the book one of the section winners is named as the emperor/empress of all management theories. Finally, we would like to wish you good luck with your career and we hope you enjoy the book.

Jim McGrath and Bob Bates
July 2017

HOW TO GET THE MOST OUT OF THIS BOOK

By their nature, all management theories are a partial explanation and simplification of the complex reality they try to explain. To expect one theory to fully explain what's going on or to work in all situations is on a par with expecting that a road map of London will help you navigate your way across Europe. Theories don't work like that.

Sometimes a single theory may be all you need to resolve a problem. However, it's more likely that you will need to combine several theories, or at least parts of several theories, to address complex management issues. This flexible approach to the use of theories will enable you to craft a made-to-measure solution for the problems you face rather than having to make do with an off-the-shelf solution.

When using any theory always remember that every person is a unique collection of feeling, attitudes and beliefs. People aren't machines. You can't apply the same theory with everyone and expect the same result. Therefore you need to:

- study the insights (theories) that management theorists have developed over the years;
- understand how to apply each theory in practice and think about its limitations in terms of what is acceptable in your organisation and your own preferences;
- observe other managers at work;
- get to know your staff and what makes them tick;
- practice your management skills at every opportunity and try out either entire theories or parts of theories discussed in this book;
- have the courage to experiment and to combine parts of different theories;
- keep a diary, or use the spare space in this book, and record, *very briefly*, your experiences of management: for example, What happened? Why did it happen? What could I have done differently? Why was I successful in that situation but failed in another? Learn from these mini reflections and use them to guide your future actions.

Writing a few reflective notes will help you internalise what you have learnt. As your knowledge is broken down into its constituent parts it will be added to the compost bin that resides in the dark recesses of your unconscious. It is there where it will mingle with your own emotions, beliefs and attitudes to form your own bank of tacit knowledge. When required, this unconscious knowledge will inform every management action and decision you make and from that will flow your own unique management style.

SECTION 1

HOW TO MANAGE PEOPLE

INTRODUCTION

In this section you'll find three types of theories. The first comes from the very early days of management when writers tried to identify and describe the functions of management. They tell you what you should be doing. The second type tells you how to do it.

The one thing that none of these theories say is 'To thine own self be true' (Shakespeare, *Hamlet*). What this means in management terms is that if you try to copy someone else's approach you will fail. You have to become the unique manager that you were meant to be. That doesn't mean that you can't have role models. By all means examine the actions of managers you admire. Read the biographies of managers that make the best-seller list. But remember you are not them. You don't share their personality, life experiences, training or skills. Therefore never copy their actions. Instead, adopt only those ideas that you feel comfortable with and then adapt them to work in your organisation.

The section ends with a third type of theory taken from operational management. This has been included in this section to remind you that managers are not just responsible for managing people – they are also accountable for the economic, efficient and effective use of the organisation's inorganic resources including cash, stock and fixed assets.

Finally, while reading this section, and the next on Leadership, it is worth remembering that there is a huge literature written by academics and management gurus about the difference between managers and leaders. Many have made a very lucrative career out of differentiating the two functions and telling us that leaders are special and better than mere managers. They suggest that they possess different characteristics and are psychologically very different people. The reality is that anyone who holds a management role has to combine the roles of administrator, manager and leader if they are to do their job effectively.

THEORY 1

FAYOL'S 14 PRINCIPLES
OF MANAGEMENT

Use to remind you that as a manager you must use your authority to ensure that the organisation's structure and systems for managing staff and resources are working effectively.

Henri Fayol's 14 principles of management first appeared in *Administration industrielle et generale* (1916). The relationships between employers, managers and staff have changed since then, as has the terminology used. However, Fayol's insights remain relevant.

FAYOL BELIEVED THAT MANAGERS SHOULD:

Exercise authority.

Ensure that unity of command exists.

Ensure that there is a clear chain of command within the organisation.

Provide unity of direction for all staff.

Manage the supply of human and other resources.

Exercise staff discipline.

Coordinate key activities through centralisation.

Seek efficiency through the division of work.

Subordinate their needs and those of their team to the needs of the organisation.

Ensure that staff are fairly remunerated.

Ensure equity of treatment for all staff.

Provide job security as far as possible.

Encourage staff initiative.

Establish a sense of *esprit de corps* (team spirit).

HOW TO USE IT

- You have the right to exercise authority and to expect compliance. If someone fails to comply with your request, don't ignore it. Repeat your request and if they continue to ignore you look at what sanctions you can apply (see *Theory 15*).

- In any organisation there can only be one head, one plan and one vision. Ensure that staff understand the chain of command (authority), are familiar with the organisation's structure and where they fit into it and that they are committed to the organisation's aims.
- Organise your team on the basis that everyone reports to a single line manager. If someone has two managers, disputes over work priorities will arise.
- Your relationship with staff should be built on mutual respect, trust and frankness. However, this does not mean that discipline should be sacrificed. You must apply consistently the organisation's rules of behaviour to all staff, including yourself.
- Staff look to you to provide the resources they need to do their job and will judge you on how successful you are at obtaining these resources. Plan ahead and don't disappoint them.
- Always place the needs of the organisation above your own or those of your team. If the organisation fails, then you and all your staff are out of a job.
- The division of work into a series of repetitive tasks is no longer acceptable. Fortunately, more effective and efficient ways of working can nearly always be found. Review regularly the allocation of work and working practices within your team.
- Your pay and that of your staff should be comparable with others in the organisation doing a similar job. Wide differentials cause resentment and undermine teamwork. Monitor pay rates and take action when required.
- Staff want consistency and fairness from their manager. Avoid favouritism and treat all staff equitably.
- New staff need time to settle in. Suspend judgement on their performance until they have had sufficient time to show their true worth.
- Encourage all staff to exercise their initiative within clearly defined limits.
- There are many ways to forge team spirit. You don't have to indulge in a trek across the Brecon Beacons in February. A night bowling may work just as well.

QUESTIONS TO ASK

- Do I have any favourites among the staff?
- Are my team's aims and objectives aligned with those of the organisation?

THEORY 2

TAYLOR AND SCIENTIFIC
MANAGEMENT

Use when staff resources are tight and you need to increase productivity.

Frederick Taylor rose from shop floor labourer to become a Director at Bethlehem Steel, the largest steel maker in the United States. He was a contemporary of Fayol but was more interested in efficiency than the social aspects of managing people. His book, *The Principles of Scientific Management* (1913), cemented his reputation as the father of scientific management.

TAYLOR:

Believed that the job of a manager was to plan and control work and that there was a single most efficient way to do any job.

Used time and motion techniques to break down each work process into its constituent parts and eliminate unnecessary actions. Using these principles, he reduced the number of actions a bricklayer took from 18 to 5 and in the process saved time and money. His work laid the foundation for the division of labour and mass production, which Henry Ford applied so successfully in car manufacturing.

Argued that the best way to ensure maximum efficiency was to carefully select and train staff and provide additional opportunities for those that showed potential. This was revolutionary at a time when most workers were given no formal training. Outstanding workers were identified by placing a chalk mark on their work bench (*Benchmarking see Theory 83*).

HOW TO USE IT

- Review how each job is done in your team and ask the following questions: Do we need to do this job? Can it be done more efficiently? Does the work allocated to each member of staff match their abilities/strengths? Do staff need additional training to improve their efficiency and effectiveness.
- Decide how work can be reallocated and reorganised to improve efficiency, increase throughput and play to the individual strengths of staff.
- Following reorganisation, evaluate how effective the changes have been and tweak as required. It's very unlikely that you will get it right first time (see *Theory 61*).
- Regularly review (at least annually) the work that staff do and look for efficiency gains. If you think that a report you issue is no longer used, don't ask the recipients if they need it. They'll almost certainly say 'yes'. Instead, produce the report but don't send it out and see if anyone shouts. If after three months no one has screamed, ditch it.
- Additional training can improve your team's productivity greatly. For example, how sure are you that every member of the team can use all of the facilities available on your computer systems?
- Remember Taylor's ideas don't just apply to the shop floor. Inefficient working practices are rife in most offices.
- When undertaking the review of work, canvass ideas from the wider team on how the task could be done more efficiently.

QUESTION TO ASK

- Does the team struggle to meet deadlines and/or have periods when they have very little work? If yes, can the timetabling of work be improved?

THEORY 3

MAYO AND THE HAWTHORNE EXPERIMENTS

Use in conjunction with Theory 26 to identify the factors that actually motivate staff.

In the late 1920s, Elton Mayo and his team from Massachusetts Institute of Technology carried out a series of experiments with manual workers at General Electric's Hawthorne Plant. The results seemed to defy the received wisdom of the time and continue to be of interest today.

THE HAWTHORNE RESEARCHERS FOUND THAT:

There was no correlation between productivity and working conditions. Productivity went neither up nor down significantly when conditions were either degraded or improved.

Belonging to a group was the single most important motivational factor. Staff found status and a sense of belonging within the group. They feared being excluded from the group or letting their mates down with shoddy work and did everything they could to be seen as a 'good un'. Often these groups were informal in nature and yet they exercised enormous influence over the behaviour of members.

Productivity increased as a result of the researchers and management talking to the staff, asking for their views and treating them as individuals and not just hired hands. Effectively, treating staff with respect and as intelligent individuals paid dividends.

HOW TO USE IT

- Recognise that working conditions by themselves have very little effect on motivation or productivity. Only when they fall below an acceptable level do they demotivate staff (see *Theory 26*).
- Knowing that staff are more motivated when they belong to a group is a key piece of information. Yes, you want your staff to work as one team, but also encourage them to form separate mini groups, because smaller groups exercise greater influence over their members. It's not by chance that the basic operating unit of the SAS is four troopers.
- Whenever possible encourage good-natured competition between the mini groups. To avoid things getting too serious offer a trophy of no particular value to the 'best team' each month.
- Now that you know that productivity increases when managers talk to staff, get out of your office and indulge in a bit of Management by Walking About (see *Theory 7*). If possible, get senior managers to talk to your staff. This is easily done. Instead of having a private briefing from your boss or director on the organisation's latest strategy, ask them to brief you and your team together (always assuming that nothing confidential is involved). When they have left, you can answer any questions that your team have.
- Everyone wants to feel valued. We spend most of our waking life at work and we need to believe that it has a purpose. So treat people with respect, as intelligent individuals, and watch productivity grow.

QUESTIONS TO ASK

- How much do I know about the people who work for me?
- Do I encourage staff to talk to me about their ambitions and problems?

THEORY 4 DRUCKER ON THE FUNCTIONS OF MANAGEMENT (CROWN AS KING)

Use as your foundational management beliefs. Everything you do should flow from these fundamental statements. All else is embroidery.

Many people believe that Peter Drucker was the first true genius that the study of management produced. He helped establish the discipline of management and foresaw numerous trends in management many years in advance of anyone else. For example, he wrote about decentralisation in the 1940s, coined the term 'the knowledge economy' in 1969 and was talking about the social responsibilities of managers in the 1970s.

It was Drucker who in plain English suggested that the purpose of every business organisation was to create and maintain a customer. He didn't talk about maximising profits. He knew that only by building and maintaining customers can a business hope to make a profit, because it's customers that create profits.

DRUCKER ALSO ARGUED THAT MANAGERS WERE RESPONSIBLE FOR:

Setting the organisation's/team's objectives.

Providing and organising the resources required to achieve the objectives.

Motivating staff to achieve the objectives.

Monitoring staff performance against the objectives.

Improving performance by continually developing themselves and their staff.

Drucker's insights into the purpose of a business and the responsibilities of managers encapsulate the essence of both business and management theory.

HOW TO USE IT

- Identify who your customers are. Ask yourself: Who buys my goods or services? If you deal with the public this may be obvious, but if you provide a service to other parts of your organisation it may be more difficult.
- Once you have identified your customers ask: Am I meeting their needs? What can I do to enhance the service or product I provide? (see *Section 10*). Based upon your answers, develop a plan to provide customers with the best possible service.
- Provide targets and objectives for all staff. Set 80% of the targets at a level that is relatively easy for staff to achieve. This will turn people on to success and motivate them to meet the more challenging targets (see *Theory 97*).
- Monitor performance. Establish a reporting system that shows performance against target, explains the reason for any discrepancies and is produced in time for you to take corrective action quickly.
- Constantly monitor the physical and staffing resources that you need to achieve your targets and take action to remedy any shortfalls before they become a problem.
- Motivate and communicate with your staff by sharing information and listening to what they have to say (see *Section 3*).
- You are your own greatest asset. Invest time and energy in developing both your technical and managerial skills. Keep yourself marketable. Attend interviews regularly and, if asked to define management or the role of managers, trot out Drucker's list of management responsibilities as if they were your own. Your staff are your second greatest asset so develop, train and support them.

QUESTIONS TO ASK

- Do I really think of myself as a manager and act accordingly?
- Do I see my job in terms of the work I do or helping others do their job?

THEORY 5 MCGREGOR'S X AND Y THEORY

Use to identify which stereotypical type of manager you are closest to and consider how this impacts on your actions and how you are perceived by staff.

Douglas McGregor identified two different sets of assumptions made by managers about their staff. Each set of assumptions represents an extreme view of people and can be summarised as follows:

Theory X managers believe that most people ...		Theory Y managers believe that most people ...
Are driven by monetary concerns	↔	Are driven by job satisfaction
Will avoid work when possible	↔	Actively seek work
Lack ambition and dislike responsibility	↔	Show ambition and seek responsibility
Are indifferent to organisational needs	↔	Are committed to organisational objectives
Lack creativity and resist change	↔	Are creative and welcome change

McGregor believes that every manager's actions are governed by how they view human nature. A Theory X manager will attempt to exercise tight control by close supervision, demands for strict adherence to rules and threats of punishment. A Theory Y manager will create an environment where effort is recognised and rewarded and praise is given regularly.

HOW TO USE IT

- Don't assume that modern managers should embrace Theory Y and disregard Theory X. In the real world, you may have to deal with people whose only motivation is to earn as much money as possible for the least amount of effort.
- Recognise that if you choose Theory X your style will be about command, control and fear and that you will rely on coercion (*see Theory 15*), implicit threats and tight supervision to manage your staff. Do you want this?
- If you choose Theory Y you will promote cooperation, rewards and good working relationships. But how are you going to deal with those members of staff who see such an approach as weakness?
- Adopt an approach that lies somewhere between the two extremes of X and Y, but recognise that there is a danger in switching between them. Staff expect managers to be consistent (*see Theory 12*). Switching approaches may cause confusion.
- To avoid confusion, set clear limits for staff actions. Identify those rules, procedures and deadlines where you expect total compliance. Make it clear what failure to comply will mean and enforce your rules consistently.
- Manage your team's remaining activities using a Theory Y inspired approach. Make yourself available to staff, listen to what they have to say and recognise that sometimes staff need you to believe in them before they can do their best work.
- Always maintain basic ground rules. They keep you and the organisation safe from ne'er-do-wells who just want to take you for a ride.

QUESTIONS TO ASK

- On a continuum, where Theory X is 1 and Theory Y is 100, where would you place yourself? On the same continuum, where would your staff place you?
- Given your organisation's culture (*see Section 6*) how acceptable is your approach?

THEORY 6

COVEY'S SEVEN HABITS™ OF
HIGHLY EFFECTIVE PEOPLE

Use to identify a strategy for reaching your own aims and objectives and a philosophy for how you treat people along the way.

Stephen Covey's Seven Habits™ model can be split into personal and interpersonal habits.

PERSONAL HABITS – WORKING ON YOURSELF – ARE:

Be proactive: Managers should aim to shape the events and environment in which they work and not just sit back and wait for things to happen.

Start with the end in mind: Managers should identify what they want to achieve. Once identified, they must avoid distractions and constantly work on activities that take them towards their goals.

Put first things first: Managers should prioritise those activities that will help them achieve their aims.

Sharpen the saw: Managers are human. They need time to rest and renew themselves and update their skills.

INTERPERSONAL HABITS – WORKING WITH OTHERS – ARE:

Think win–win: When dealing with staff, customers, suppliers and even competitors wise managers look for common ground and a solution that suits all parties.

Seek first to understand then try to be understood: Like doctors, managers should diagnose what the problem is before they prescribe the cure.

Synergise: Synergy occurs when the outcome is greater than the sum of the parts. A case of $2 + 2 = 5$. Great teamwork can achieve this (see Section 5).

HOW TO USE IT

- To be proactive get off your backside and work towards the achievement of your aims. Don't sit about waiting for things to happen. Look for opportunities to shape events and the environment you work in.
- Start with the end in mind by identifying your aims. What do you really want from life? Think about your earliest ambitions. What did you want to do when you were at school or just starting work? Now is the time to make your dreams concrete. Record them on paper as short (1 year), medium (2 to 3 years) and long-term (over 3 years) aims and tick them off as you achieve them.
- Put first things first and identify which work activities move you closer to achieving your aims. Sometimes you may have to do other work. That's OK. But get back to the important stuff asap.
- Sharpen the saw reminds you to look after yourself. Find time to relax, enjoy some R and R and update your professional skills.
- When you deal with staff, customers and even competitors seek first to understand what they are saying. By listening you will gain an insight into what they really want.
- Once you understand their wants you can identify a win-win solution that satisfies all parties. This will build trust which leads to better outcomes when you deal with the same people in the future.
- The relationships that you have established on a basis of mutual respect and fairness will release synergy rather than competition and improve future results beyond expectation.

QUESTIONS TO ASK

- What do I want from life? What are my aims and ambitions?
- How am I going to achieve my aims and ambitions? What's my plan?

THEORY 7 MANAGEMENT BY WALKING ABOUT (MBWA)

Use MBWA to avoid becoming detached from staff and what is going on in your organisation.

Like a lot of theories, MBWA is something that good managers have been doing since Adam and Eve first expressed an interest in apples and it's impossible to identify where the idea originated. But it's probably fair to say that both Mark McCormack and Tom Peters helped to popularise it.

The theory is simple. To avoid becoming isolated and losing touch with staff and the day-to-day operations of the organisation, managers must get out of their office and walk around the factory, shop, site or office, listen to staff and observe what is going on at first hand.

USE THE WALKS AS AN OPPORTUNITY TO:

Build trust and understanding with staff.

Listen to what staff have to say and take on board their work problems and ideas.

Look for examples of good practice that can be implemented elsewhere in the organisation.

Look for examples of bad practice and eliminate them.

Observe how other managers and supervisors interact with staff.

Improve your knowledge of the business, its staff and products.

Answer staff questions.

Get to know people personally and what motivates/demotivates them.

HOW TO USE IT

- Identify an aim for every walk you take. This may be to find out what staff think of new working procedures, identify a problem or good practice in a specific section, get a feel for staff morale generally and on rare occasions to promote a new initiative.
- Don't talk at staff. Listen more than you speak and ask staff for their ideas and views on work issues. Don't be afraid to spend a few minutes talking about football or what was on telly last night if that helps the person to relax and open up.
- Always deliver on any promises that you make and never commit to anything you can't deliver.
- Once back in the office jot down a few notes on what you found and analyse your data into three categories, i.e.
 - 1 Matters that require immediate action.
 - 2 Information that will inform your future actions.
 - 3 Factual information about the organisation and its processes that you were unaware of.
- Use the data collected to improve the organisation's behaviours, practices and processes and to inform your decisions.

QUESTIONS TO ASK

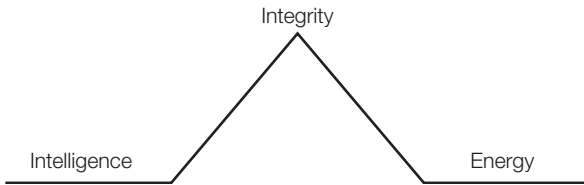
- When was the last time I 'walked the job'?
- Where does my information about the business come from? How many filters has it gone through before it reaches me?

THEORY 8 WARREN BUFFET ON SELECTING THE RIGHT STAFF

Use to remind you of the key characteristics you should be looking for when you appoint or promote staff.

It's become something of a truism that a manager is only as good as their staff. If you have good staff, your job as a manager becomes infinitely easier. But if you have poor and/or disruptive staff your life can be hell.

Warren Buffet (1930–), the world's most successful investment manager, likes to keep things simple; for example, his investment strategy is to buy good stocks and hold them for a long time. He has applied the same simplicity to the appointment of staff and suggests that there are just three things you should look for when recruiting people i.e.:



However, he also sounds a note of caution. Yes, you should employ people who have intelligence and energy but:

If they don't have integrity the other two will kill you. You think about it; it's true. If you hire somebody without integrity, you really (do) want them to be dumb and lazy.

Warren Buffet

Integrity is the key factor for Buffet. If a person lacks integrity they are a danger to you and the organisation. Indeed, much of the 2008 financial meltdown can be blamed on a lack of integrity among highly intelligent and well-motivated bankers.

WHAT TO DO

- Whenever possible promote from within. Such a policy creates staff loyalty and you are less likely to appoint a dud because you (should) know the person's strengths and weaknesses. Only if you need new blood or a skills set not found in your organisation should you consider going outside.
- At the interview concentrate on identifying which applicant/s demonstrate integrity, intelligence and energy. If you can spot those, then any shortfalls in skills can be taught.
- Integrity/character is the hardest trait to confirm. Look at how the person presents themselves. Are they confident without being arrogant? Do they recognise that they don't have all the answers? Do they take pride in their work and achievements? If they do, they won't want to let themselves, and by implication you. Do they talk about what they and their team have achieved or is it all about them? Ask them about any ethical dilemma that they faced in the past and how they dealt with it. The problem doesn't have to be work related. If they can't think of an example it's very likely that they have few if any guiding principles.
- Intelligence is fairly easy to identify. Obviously, start by looking at the person's educational attainments. However, their interaction with you or the interview panel will tell you more than any certificate. Do their answers show a level of analysis? Do they try to contextualise their responses in terms of your organisation? Can they see the bigger picture and how their work will fit into the whole? Are they inquisitive and interested in your operation? Do they possess common sense or are their ideas unworkable in the real world?
- Energy and enthusiasm are easy to spot. Simply ask yourself, 'Do I feel energised speaking to this person?' If the answer is 'yes' than other people are likely to be similarly enthused by the applicant.

QUESTIONS TO ASK YOURSELF

- What's the first thing I look for when appointing or promoting people?
- How successful has my current approach to recruitment and promotion been?

THEORY 9

MICHAEL HAMMER ON BUSINESS PROCESS RE-ENGINEERING (BPR)

Use to remind you of the value of undertaking a root and branch evaluation of the organisation's working practices.

Business process re-engineering (BPR) is an approach that seeks to redesign processes and practices in order to support the organisation's mission, reduce costs and improve efficiency. It is a complex and organisation-wide process and only two crucial elements of it can be explored in this short entry: the importance of selecting the right people for the implementation team and an overview of the process to be followed.

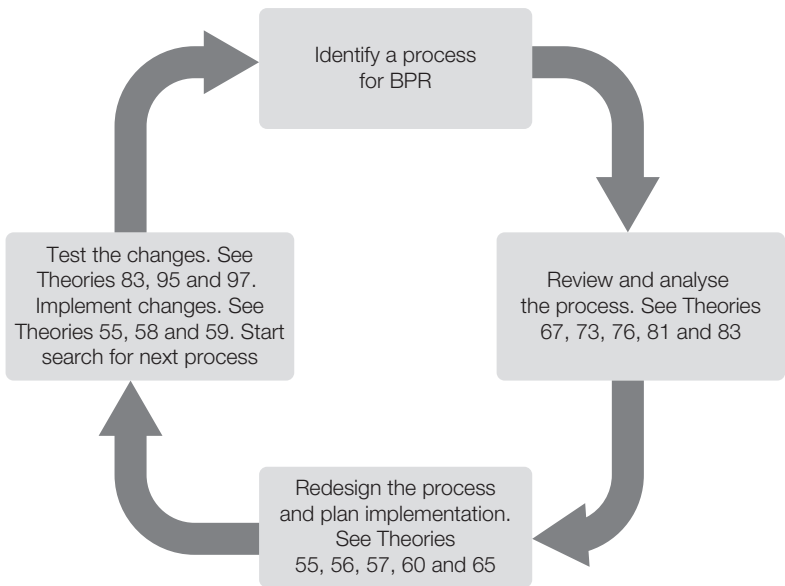
In his seminal article *Re-engineering Work: Don't Automate Obliterate*, Michael Hammer, a professor of computer science at the Massachusetts Institute of technology (MIT), argued that most work undertaken in an organisation adds nothing in terms of value to the service or product that the customer receives and should be eliminated. Unfortunately, Hammer noted that very often such unproductive practices were the first to be automated and so became entrenched in the organisation's work procedures. To challenge and undo them requires BPR.

WHAT TO DO

- Stage one in any BPR project requires you/senior managers to recognise that BPR is about fundamentally changing how your organisation works. Such a change can only be successful if it has organisation-wide support. Managers, leaders and supervisors at all levels must constantly demonstrate their commitment to the project. It is they who have to sell the vision and allay the fears of staff. They can only do this by communicating with all employees and stakeholders affected in a language they can understand (see *Theories 55 and 60*).
- Stage two requires senior management to form an implementation team that commands widespread respect in the organisation. Members of the team should be drawn from a cross-section of the organisation and include senior, middle and junior managers plus staff from the departments affected by the review, and representatives from the IT department, finance and customer/user groups. Remember, the best people may not always be the most senior. Team supervisors or junior managers who staff trust and look to for advice and guidance are often the most valuable people to have on board.
- Although you must include people who are familiar with the processes under review, always find room for at least one person who knows nothing

about them: someone who isn't afraid to challenge received wisdom and to 'ask the dumb question' that provokes new ways of thinking.

- It's essential that the people selected are able to consider issues in the round and like Handy's helicopter (see *Theory 11*) be able to rise above their own parochial priorities and see problems and solutions in organisation-wide terms.
- Keep the size of team below 12. More than that and the management of the project becomes problematic. The purpose of the team and the project manager is to deliver change in the form of competitive advantage and economic and efficiency gains. You don't want it to become bogged down with internal management issues.
- Once the team has been formed and its terms of reference and lines of reporting clearly established, work on the project can start. Use the four-stage process to identify and bring about the changes required.



- If the results achieved are disappointing, repeat the process until real improvements are achieved. Only then move on to the next process.
- Review Section 5 on team management to gain insights into how you can manage, motivate and support small teams.

QUESTIONS TO ASK

- Has your organisation ever undertaken a BPR exercise? Does it need to?
- What skills could you bring to a BPR exercise?

THEORY 10

JUST-IN-TIME MANUFACTURING

Use to remind you that having resources waiting to be used wastes money and space.

It's often assumed that Just-in-Time (JIT) Manufacturing was devised by the Japanese in the 1970s. It wasn't. The Empire State Building, built in 1931–32, is a great example of JIT building. New York City refused the builders permission to store materials on site in case it disrupted traffic on Fifth Avenue. To overcome the problem, the architects, working without a computer, scheduled the delivery of all materials so that they could be unloaded from a truck and immediately fitted into place on the building. At the height of the construction, trucks were drawing up outside the building site every ten minutes!

Originally JIT referred to the production of goods or services to meet the customers' requirements, on time and to the standard required (see *Section 10*). Over the years, it has come to mean continuous improvement and the elimination of waste. It is this latter meaning of JIT that this entry considers.

WHAT TO DO

- Recognise that there are seven types of waste that you should seek to reduce/eliminate. They are:
 - storage costs: these may be real e.g. the expense of having a stock control and security system in place or an opportunity cost;
 - inventory waste arising from damage, theft and deterioration during storage;
 - overproduction, leading to unsold goods and more profitable activities not being taken up;
 - processing waste arising from inefficient use of materials and/or waste resulting from product defects;
 - waste of motion during the production of the goods: this includes performing unnecessary tasks such as form filling or having to move around unnecessarily during the process;
 - transportation waste/costs arising from frequent small deliveries and/or the need to obtain materials urgently or face production hold-ups;
 - production delays arising from late or non-delivery of essential materials.

As a manager, you need to review each source of waste and device ways to eliminate or reduce the number of times such problems can arise.

- Some of the ideas that you might consider adopting include the following:
 - introducing a policy of Good Housekeeping: this includes ensuring that within the workplace tidiness, orderliness, cleanness, standardisation and discipline are maintained (see *Theory 82*);
 - benchmarking your operation against similar functions both within and outside your industry and applying best practice to your operation (see *Theory 83*);
 - regularly using Ishikawa's Fishbone Model (see *Theory 81*) to analyse your production processes and identify weaknesses and defects; don't wait for a problem to become obvious, use Ishikawa's approach to spot and correct problems before they become an issue;
 - exploring what is the ideal batch size for optimal production runs and consider using a multi-skilled approach to production; research indicates that a multi-skilled workforce has higher levels of job satisfaction, motivation, productivity and flexibility than mono-skilled workers (see *Theory 26*);
 - using machines that have some level of autonomous capability; this will free up the worker to do something more productive than just 'watch the machine' during the production process;
 - when designing any system/process, ensure that each stage acts as a check on the work of the previous stage; in this way, errors can be identified during the production process and not just at the end—when it is too late to take effective corrective action.

QUESTIONS TO ASK

- How often do you review your team's production processes?
- Which organisations could you benchmark your production processes against?

A FINAL WORD ON MANAGEMENT THEORIES

WHY DRUCKER'S THEORY WAS CROWNED KING

When Einstein submitted his six-page PhD thesis, his examiners were impressed with his ideas but asked him to 'write a little more'. He took it away, thought about it for a week, added one sentence and resubmitted his thesis. It passed.

A theory doesn't have to be long and complicated to be profound. Drucker summarises the purpose of a business and the role of managers in under 75 words. Yet these few words have been the basis for much of the management thinking and writing for the past 60 years. And he didn't even have to add an extra sentence.

The most consistent message that comes across in this section is that management theories are often contradictory: writers can't even decide if it's better to batter staff into submission with a blunt instrument or wrap them in cotton wool. But that's OK because people and situations are infinitely variable and you can't expect one approach to be successful in every situation or with every person.

Always remember that you're a manager not an administrator. Your job is to organise and coordinate the work of your staff, not fill in forms. If you're new to management, you must act, think and talk like a manager. Look again at what Drucker has said is the role of the manager. That's your job description and it describes the nature of your work whether you are a junior manager or a managing director. Whenever you find yourself spending too much time on non-management tasks you need to reassess your priorities.

Finally, some managers are in love with their own voice. Remember: you have two ears and one mouth; clever managers use them in that proportion.

SECTION 2

HOW TO LEAD PEOPLE

INTRODUCTION

So, what is leadership? The word lead means ‘to guide on a way by going in advance’ (*Longman New Universal Dictionary*). So, it’s safe to say that leading involves taking someone on a journey from their current position to somewhere else. The journey can be physical as when Moses led the Israelites out of Egypt, or psychological where a leader turns around the attitudes of a group of workers. Whichever it is, it involves change. You can’t be a leader unless you lead change of some kind. That’s what leaders do: they change things.

But how does the leader bring about change? One thing is clear, they can’t do it on their own. They need the help of others. This turns leadership into a process which involves influencing others to work towards the achievement of your aims and objectives. Leadership is not about power or force, it’s about influence. You don’t want an army of conscripts as followers; you want an army of volunteers.

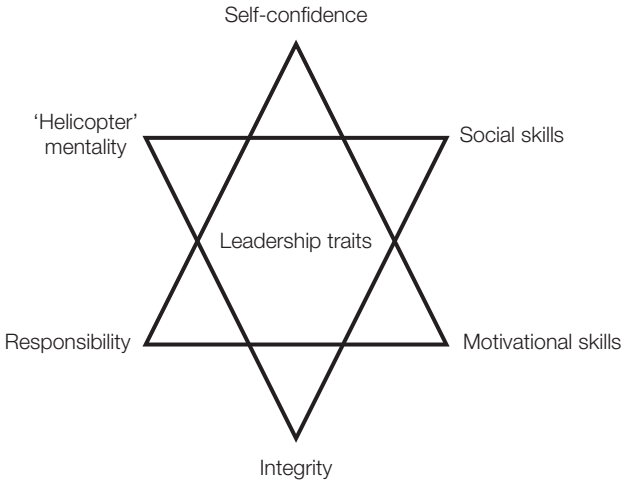
The entries in this section are largely in chronological order but only Trait Theory predates 1930. Some you will be familiar with, such as Hersey and Blanchard’s situational leadership; others, such as Leader Member Exchange, may be new to you.

Whichever theory or theories you decide to adopt, there is one characteristic you must exhibit at all times if you are to convince people that you are worth following, and that is self-confidence. If you lack faith in your own abilities or the leadership approach that you adopt, why should anyone place their trust in you? It’s essential that you always appear self-confident and optimistic – especially when you’re terrified. How you feel is not important, it’s how you are perceived by your staff/followers that matters. Many great leaders have been wracked with nerves and self-doubt. Indeed, it’s probably only the mad and megalomaniacs who are free from doubt. Good leaders face their fears and triumph over them.

THEORY 11 TRAIT THEORY

Use to identify the key traits that you need to exhibit consistently if you wish to be considered a leader.

The origins of trait theory are unknown, but its purpose is simple. It tries to identify the innate characteristics that distinguish leaders from followers. Unfortunately, over a century of research has failed to reveal a definitive list of traits that all leaders possess. Despite this failure, the theory remains popular because people retain a romantic attachment to the idea that leaders are a special breed and have special characteristics that make them worth following. Anyone who wishes to be considered a leader will need to display several if not all of the following traits.



Sector-specific traits may also be required, for example in the armed forces, police or fire service physical courage is important, whereas in a university academic ability is essential.

HOW TO USE IT

- Look for opportunities to demonstrate to your staff and boss that you have the necessary traits to be a leader.
- Exhibit self-confidence at all times – especially when you're terrified. How you feel is immaterial. It's how you are perceived that counts.
- You don't have to be a great talker to be sociable. In any conversation encourage others to talk and actively listen. Do this and people will think you're highly sociable and you'll pick up valuable information.
- To motivate staff, lead by example: show enthusiasm for your team's work and find ways to make staff feel proud of their work (see *Section 3*).
- People follow those they trust, so act with integrity and demonstrate that you won't sacrifice any member of staff on the altar of your own ambition.
- Accept responsibility for the errors that you and your team make. Don't blame others. Passing the buck is not allowed.
- You need a certain level of intelligence to be a leader. But people seldom follow a genius because they don't believe that a genius could understand their problems. President Clinton has a genius-level IQ, but when talking to the public he liked to appear as just another 'good old boy'. It won him a lot of votes.
- When considering a problem or making a decision, follow Charles Handy's advice and rise like a helicopter above the narrow interests of your own team and make decisions based upon what is best for the entire organisation. Do this consistently and you will be noticed.
- Identify and demonstrate any sector-specific traits that are relevant.

QUESTIONS TO ASK

- How can I get a clear picture of how staff, colleagues and management see me? How can I build on the positives and eliminate the negatives that my appraisal has thrown up?
- Has every member of staff received training in how to do their current job?

THEORY 12

THE MICHIGAN AND OHIO STUDIES – BASIC STYLE THEORY

Use to identify your default leadership style – i.e. are you a task- or person-oriented leader?

In the 1940s the University of Michigan suggested that leadership behaviour could be described as either person or task oriented. Person-oriented leaders are concerned with maintaining good relationships with staff and believe in a participative and democratic approach to leadership.

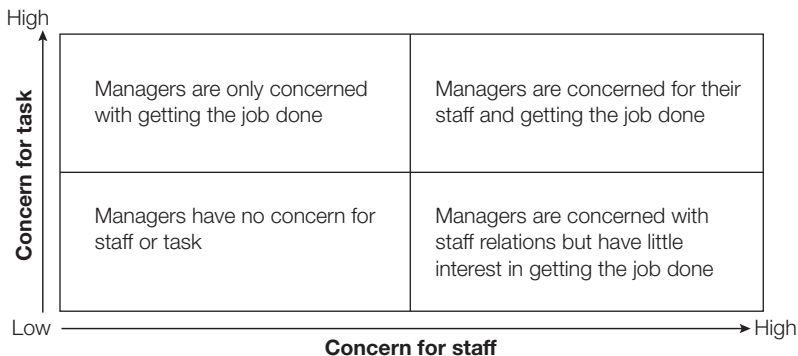
Task-oriented leaders are more concerned with results and outputs than people's feelings. They are target driven, directive and controlling. They seldom listen to staff.

Michigan University depicted these two archetypes as residing at the opposite ends of a single continuum. This implied that leaders could only be concerned with people or achievement of task, but not both.

Ohio University developed the basic theory and argued that employee and task orientation did not reside on a single continuum but on two separate continua each of which ran from low to high. This meant that it was possible for a leader to have one of four leadership styles.

The leadership styles available to a leader are:

- a high concern for staff and task;
- a high concern for staff and a low concern for task;
- a low concern for both staff and task;
- a low concern for staff and a high concern for task.



HOW TO USE IT

- If you currently emphasise getting the job done over concern for staff, don't abandon your drive and passion for performance but add to it a concern for the staff's well-being.
- Improve your relationships with staff by taking the time to get to know them. Chat with them for a couple of minutes before you get down to business. You will be amazed at how much this will improve the atmosphere at work.
- Involve staff in discussions about how work is scheduled and organised as a means of getting them to own targets and become self-monitoring (see *Theories 5 and 26*).
- If you currently emphasise the needs of staff over getting the job done ask yourself: Do I get enough productivity out of my staff? If the answer is 'no', move towards a more task-oriented approach.
- Start by recognising that you are not the staff's friend, councillor or shrink. You are their manager and, although you can be friendly with them, you are paid to ensure that they do their job.
- Set a small number of key targets and deadlines for all staff and insist that they be met. Once these have been accepted, build upon them until you have an equal concern for both staff and task.
- Aim to act in a firm, fair, friendly and supportive manner at all times. There will be occasions when you have to demand maximum effort from staff. But people aren't stupid. They know when a job is important or urgent and if you have a good relationship with them they won't want to let you down.
- If you have no interest in the task or your staff get out of management.

QUESTIONS TO ASK

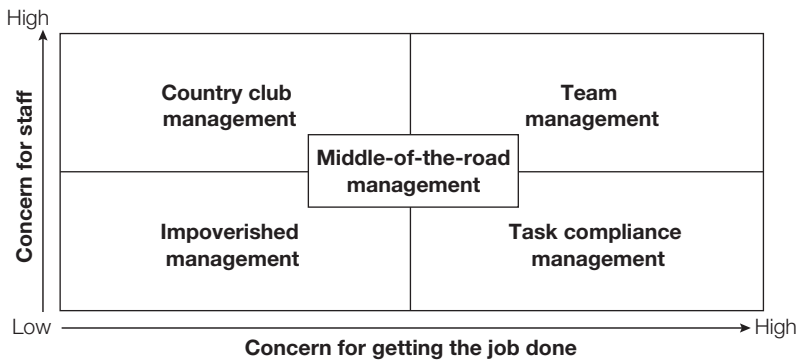
- Do I lack the confidence to be directive and give orders when required? Or do I appear aggressive to staff?
- Do I need assertiveness training?

THEORY 13

BLAKE AND MOUTON'S
LEADERSHIP GRID®

Use to confirm your preferred leadership style while recognising that you can change your style as circumstances require.

Blake and Mouton built upon basic style theory (see *Theory 12*) and produced their leadership grid. The grid identifies how much concern the leader has for getting the job done (task-centred) and for their staff (person-centred). They identified five leadership styles.



- **Country club management:** Leader has little interest in task completion but a high concern for the social needs of staff.
- **Task compliance management:** Leader has little concern for staff's needs. Their overwhelming concern is with achievement of task/targets.
- **Middle-of-the road management:** Leader is content to compromise. They seek to satisfy rather than maximise both the well-being of staff and production.
- **Impoverished management:** Leader has very little interest in either staff or task. They do the bare minimum to get by.
- **Team management:** Leader emphasises both the need for high levels of achievement and excellent staff relations. Blake and Mouton suggest that this is the approach all leaders should use.

HOW TO USE IT

- Complete Blake and Mouton's leadership questionnaire (available online). This will identify your default leadership style.
- If you're a team manager, great. But beware. You need to appear committed and caring, not frantic and fawning.
- If you're a country club manager this approach may be appropriate after a particularly tough period of work, but it can't continue indefinitely. You must eventually place greater emphasis on task completion (*see Theory 12*).
- If you're a middle-of-the-road manager, Blake and Mouton will tell you that this approach has little merit. But is it realistic to expect staff to consistently work flat out? An approach that produces work levels in the 80–90% range, with an ability to perform at the 90%+ level when required may be a good strategy for longevity. Only you can decide if this is an acceptable approach in your organisation.
- If you're a task manager with an emphasis on getting the job done, then your approach will be clearly appropriate in periods of crisis or extreme pressure. However, if used as your default position you should aim to achieve a better balance between a concern for work and people (*see Theory 12*).
- If you're an impoverished manager you are either in the wrong organisation and you need to change jobs or you have no interest in management, in which case you need to change careers.
- Recognise that a single style will not work in every situation. Therefore remain flexible and adapt your management style to changing circumstances.

QUESTIONS TO ASK

- Which leadership style is used by the most respected/successful leaders in my organisation?
- Does my leadership style reflect or clash with the most popular style in the organisation?

THEORY 14

HERSEY AND BLANCHARD'S
SITUATIONAL LEADERSHIP
THEORY (CROWN AS KING)

Use with staff every time you give them a new task to perform.

If you've ever been on a middle managers' leadership course, there is a good chance that you are familiar with Ken Blanchard's and Paul Hersey's situational leadership theory. It's widely used by trainers and popular with managers because it provides clear advice on how to lead staff.

The basic theory suggests that, as a leader, you need to provide a combination of direction and support when dealing with a member of staff. Direction involves giving the person detailed instructions on how to complete the task/job, i.e. telling them how to do the job. Support requires you to provide the encouragement and personal support that they need to complete the task/job, i.e. telling them that you believe they can do the job.

THE FOUR APPROACHES THAT YOU CAN ADOPT ARE:

Coaching: where you provide high levels of both direction and support.

Directing: where you provide high levels of direction but low levels of support.

Supporting: where you provide high levels of support but low levels of direction.

Delegating: where you provide low levels of support and low levels of direction.

It is important to note that followers do not progress through the model from directing to delegating in a linear fashion. As each new task is delegated the role of the leader is to identify what type of support, if any, the member of staff requires to successfully complete the new task.

HOW TO USE IT

- To use situational theory effectively you need to know and understand the people who work for you. Start collecting that information now!
- Identify the task that you want completed.
- Use your knowledge of the staff, their experience, existing workload and priorities to select a person to do the job. Let's call that person Charlie.
- Make an initial judgement as to which of the four approaches you will use with Charlie.
- Discuss with Charlie what needs to be done. Encourage him to ask questions and identify what information or support is needed from you to do the job.
- Use open and closed questions to assess how well Charlie understands the task and how confident they feel about completing the job.
- Based on the answers decide if your initial judgement about Charlie's suitability for the task was correct. If in doubt err on the side of caution and select an approach which allows for additional support to be provided if required.
- Delegate the task and provide a deadline for completion. Monitor progress. If required, schedule regular meetings to discuss progress. Where a delegating approach has been used such meetings may only last a couple of minutes; but where a directing approach has been used they may last much longer.
- Regardless of which approach is used make it clear to Charlie that if any problems arises you are available to help.
- On successful completion, thank Charlie for the work and use the two most motivational words available to any leader: 'Well done' (see Section 3).
- This approach can also be used when dealing with an entire team (see Section 5).

QUESTIONS TO ASK

- How good am I at delegating? Do I only delegate to one or two trusted people?
- Have I the courage/confidence to trust my staff?

THEORY 15

BURNS' TRANSACTIONAL LEADERSHIP THEORY

Use to obtain compliance from a member of staff who needs to be persuaded to comply with your request.

It was James MacGregor Burns who popularised the phrase 'transactional leadership'. In doing so he described a process that has been going on between leaders and followers, managers and staff and parents and children since Adam was a lad in short pants.

Burns' theory describes the, often informal, bartering process that goes on between leaders and staff all the time. He identified two very different strategies that managers can use.

<i>Constructive transactions occur:</i>	<i>Corrective or coercive transactions occur:</i>
When the leader offers inducements to the follower to comply with their request. For example, 'If you work tonight you can have Friday afternoon off'.	When the leader threatens the follower if they refuse to co-operate or if they fail to stop acting in a certain way. For example, 'If you do that again I'll make sure you get no overtime for the next month'.

Burns believed that the range of inducements and threats available to a leader were virtually limitless and were not restricted to financial rewards or sanctions (see *Theory 26*).

HOW TO USE IT

- Confirm the limits of your power/authority (see *Theories 85 and 86*). As a leader your ability to deliver on what you promise or threaten is vital. You must deliver on both or you'll lose credibility.
- Find out what makes your staff tick. It's alright reading about the various factors that either motivate or demotivate followers (see *Section 3*). But every individual is different. You need to identify specifically what your followers really value and fear and use this knowledge in your negotiations.
- This data-gathering exercise must be on-going. It starts on the day you arrive and only finishes when you move on to a new job.
- Start with constructive transactions. A willing volunteer is always better than some poor sod that has been coerced into doing a job.

QUESTIONS TO ASK

- If I constantly engage in constructive transactions will staff see me as a soft touch and/or expect rewards for everything they do?
- What effect will the use of coercive transactions have on levels of co-operation and team spirit?

THEORY 16

HOUSE'S CHARISMATIC LEADERSHIP THEORY

Use to remind you that you should constantly act as a role model for your followers, even if you aren't particularly charismatic.

Charismatic leadership has been around for a long time, but it was Robert House who established it in the popular imagination during the 1970s. He sees charisma as a particularly powerful personality trait that only a few people have and which marks them out as leaders in the minds of many. Typically charismatic leaders and their followers demonstrate the following characteristics:

CHARISMATIC LEADERS ACT AS ROLE MODELS FOR THEIR FOLLOWERS AND:

Promote an ideology based upon their moral beliefs.

Display beliefs and values that followers are attracted to and wish to adopt as their own.

Demonstrate integrity and competence to their followers.

Exhibit confidence in their followers to overcome obstacles and achieve 'great things'.

Consciously build up the self-belief and competence of followers.

FOLLOWERS OF CHARISMATIC LEADERS DEMONSTRATE TRUST AND BELIEF IN THEIR LEADER'S IDEOLOGY AND:

Show loyalty and obedience to the leader.

Identify with the leader and his/her goals.

See the leader as a person who deserves their love, gratitude and respect.

The result of this close relationship between leader and followers is that people become part of a collective identity with a common aim and purpose. Followers express themselves and find fulfilment by working towards their leader's objectives and trying to please him/her.

HOW TO USE IT

- Remember charisma is in the eye of the beholder: you don't have to possess it for others to think you have it.
- Be honest and assess how much charisma you think you have. This is tough. It's like finally realising that you'll never play for West Bromwich Albion. But the truth is you probably don't have a lot of charisma in the terms that House or Weber use (see *Theory 86*). But that doesn't mean you can't apply aspects of charismatic theory.
- Identify your principles. This is difficult. The easiest way to start is to ask the question: What issue/s would I be willing to resign over? Any other 'so-called principles' are just positions you take until they become inconvenient and you change them.
- Act as a role model for your staff. Display your beliefs, principles and values through your actions. Don't preach; instead demonstrate good humour, honesty, fairness, punctuality, a willingness to listen, hard work and loyalty to your staff and they will respect you.
- Follow the Golden Rule and 'treat others as you would like to be treated'. Do this and you will win hearts and minds and be trusted by staff, colleagues and senior managers. Acting with integrity doesn't mean you're a soft touch. It's always easier to go with the flow than to stand up for your principles.
- Most people lack self-confidence (see *Theory 11*). Staff need someone to believe in them. Provide that belief, and staff will both admire and surprise you.

QUESTIONS TO ASK

- Who do I think is a charismatic leader? What characteristics do they have that I admire?
- Do I have those same characteristics or could I develop them?

THEORY 17

BURNS' TRANSFORMATIONAL LEADERSHIP (TL) THEORY

Use as a means of energising your staff by aligning their goals with yours and those of the organisation.

James MacGregor Burns provided the basic transformational theory which was later expanded upon by Bass (see *Theory 18*) and Bennis and Nanus (see *Theory 19*). To understand the developed theory and how to use it you should read this and the following two entries.

Burns was a political sociologist who was interested in how politicians attracted and energised their followers/voters. He identified two types of political leadership behaviour. Transactional politicians promised people something in return for voting for them, e.g. tax cuts (see *Theory 15*), whereas transformational politicians appealed to the voter's higher order wants and needs, e.g. Obama's 'Yes we can' slogan (see *Theories 17–19*).

Burns' fundamental insight was that:

... before a leader can appeal to people's higher order needs they must identify and understand the beliefs, dreams and ambitions of the people. Only then can they package or mould their message to appeal to their target audience and followers.

Burns emphasises that genuine transformational relationships are not based on exploitation or manipulation, but on trust and integrity, which increases the level of motivation and morality of both parties and leads to personal growth and development for all involved.

Burns believed that transformational leadership could be used with one person or thousands.

Transformational leadership deals with the relationship between leaders and followers in a way that no other theory does.

HOW TO USE IT

- Start by finding out what makes your staff tick if you want to use TL.
- Use MBWA (see *Theory 7*), performance review meetings, team meetings, daily conversations and informal observations of staff to build up a picture of their personalities, interests, ambitions and beliefs.
- Identify common ambitions, beliefs, views and wants. If you manage a large staff, you may have to use sampling to get a handle on these.
- Once you understand what your people want from work, package your message in a clear and unambiguous way which will allow them to make their own connections between your agenda and their own wants/needs.
- Remember the old advertising adage, 'most people don't know what they want until someone tells them'. As a transformational leader, that's what you have to do, offer followers something that they have always wanted but only recognise when you present it to them.

QUESTIONS TO ASK

- If TL is used in my organisation, what do I need to do to align my team's aims with the organisation's mission and values?
- If TL is not used what aspects of it can I use with my team?

THEORY 18

BASS AND TRANSFORMATIONAL LEADERSHIP (TL) THEORY

Use to identify the values and beliefs that you need to display to be recognised as a transformational leader.

Bernard Bass built upon the work of Burns to develop an expanded and more detailed version of transformational leadership theory.

BASS IDENTIFIED WHAT HE CALLED THE 4 I's:

Idealised influence refers to charisma (see Theory 16). It describes a leader who appears to be special, acts as a role model for followers and has strong ethical and moral values. Followers aspire to be like such leaders and want to follow them.

Inspirational motivation refers to how transformational leaders set high standards and expectations for their followers and demonstrate absolute confidence in the follower's ability to meet or exceed the targets set.

Intellectual stimulation describes how transformational leaders encourage their followers to question not only their beliefs and values but also those of the leader. Through this rigorous and open examination, Bass believes that opportunities for personal growth, innovation and creativity are discovered.

Idealised consideration refers to how transformational leaders listen to the needs and problems of their followers and act as guide, mentor and coach with the aim of moving each follower closer to self-actualisation (see Theory 23).

HOW TO USE IT

- Idealised influence is concerned with charisma (see *Theory 16*). Regardless of how charismatic you are, you must model good behaviour and strong ethical and moral values for your followers. Act as you speak. Treat all staff fairly and be honest in your dealings with everyone you come in contact with. Never sacrifice anyone to further your career. Do this and staff will respect you.
- Motivate staff (see *Section 3*) by setting high standards and show that you have faith in their ability to rise to any challenge. Everyone needs someone to believe in them. If you provide that belief staff will strain to meet your expectations. When they achieve they will remember that it was you that lit the blue touchpaper.
- Intellectual stimulation is a difficult concept for many leaders to embrace. It requires you to challenge your own views and beliefs. Be willing to accept good ideas wherever they come from and to accept criticism from staff when they challenge your ideas and suggestions. Don't be defensive when this happens; instead reflect on what has been said and decide if the criticisms are justified.
- With idealised consideration we are back to knowing your staff and responding to their needs, not just your own (see *Theories 17 and 20*). Act as guide, mentor and coach with staff and they will blossom and grow to the benefit of the organisation.

QUESTIONS TO ASK

- How comfortable will I be if staff challenge my views and ideas?
- What strategies will I use to deal with such challenges?

THEORY 19

BENNIS AND NANUS' TRANSFORMATIONAL LEADERSHIP (TL) THEORY

Use this to develop a vision for your organisation based on values and beliefs and not management-speak.

Following interviews with a range of leaders Warren Bennis and Burt Nanus identified four strategies that leaders should use when trying to transform their organisations. These are shown in the figure below.

STRATEGY 1	Develop a clear and understandable vision for the organisation
STRATEGY 2	Act as social architects for the organisation by changing the organisational culture
STRATEGY 3	Create trust throughout the organisation by making explicit their values and views
STRATEGY 4	Identify their own strengths and weaknesses and encourage their followers to do the same

HOW TO USE IT

- Develop a clear vision for your team. Your vision has to be simple, understandable and worthwhile and unless you are running the organisation it must be aligned with the organisation's overall aims and objectives.
- Decide if the existing organisational culture (see *Section 6*) supports or hinders the achievement of your vision. If it impedes it, and your vision is aligned with the organisation's, then you have every right to replace it with one that reflects the organisation's vision. Embarking on such a change requires careful planning (see *Section 7*).
- Create a bond of trust with your staff by making clear your values, views and position and stand by these even when the going gets tough. Such consistency of behaviour will increase the trust that people have in you, which will make changing the organisational culture considerably easier.
- Transformational leaders know their strengths and weaknesses. They display no false modesty or pride; they emphasise their strengths and use others to compensate for their weakness. You must do the same.
- Play to your strengths and surround yourself with good people who are strong in those areas where you are weak. You are not showing weakness if you say 'I don't understand'. It's the idiot who pretends to understand and then reveals their ignorance with every word they say. Much like the chief executive I worked for in the public sector who didn't know the difference between cash and profit and wouldn't ask for help.

QUESTIONS TO ASK

- Whose support do I need to bring about cultural and organisational change?
- Who is likely to try and block cultural and organisational change and how do I deal with them?

THEORY 20

DANSEREAU, GRAEN AND HAGA'S
LEADER MEMBER EXCHANGE
(LMX) THEORY

Use if you wish to (potentially) develop a close working relationship with every member of your team and ensure their loyalty to you and you alone.

Dansereau, Graen and Haga's theory is unusual in that it both describes what leaders do and suggests a strategy for how they should act. LMX suggests that the leader should try to establish a close working relationship with each follower individually.

TO ACHIEVE THIS, LEADERS FOLLOW A THREE-STAGE PROCESS:

Stage 1 – the stranger phase: At this stage the relationship is one of manager/employee. The relationship is defined by the person working to their job description and the leader watching for signs of potential.

Stage 2 – the acquaintance phase: If potential is identified, the leader invites the person to take on additional work and responsibilities. During this phase the leader assesses if the worker has what it takes to become a full member of the in-group.

Stage 3 – the mature partnership phase: If the leader is satisfied with the person's performance they are invited to join the in-group. In return for taking on additional responsibilities and showing loyalty to the leader they gain greater access to the leader, more interesting work and opportunities for training and advancement.

Those not in the in-group are in the out-group.

The strength of LMX theory is that it allows a leader to build a strong and loyal follower base. The followers' commitment and loyalty improve productivity and team cohesion, and targets and objectives are achieved more quickly and with less hassle (see Section 5).

HOW TO USE IT

- Decide if you wish to use LMX. Many people feel that it is an unethical form of leadership and that anyone consigned to the out-group by the manager is being set up to fail. However, provided all staff are given the same opportunity to join the in-group, LMX isn't inherently unfair.
- Identify what you can offer staff in return for working harder and showing greater commitment and loyalty to you. It might be access, a reputation for having the ear of the leader or greater opportunities to discuss their views and ideas.
- Do not announce that you are going to adopt a form of LMX leadership or advertise the benefits of being in the in-group. Instead demonstrate through your actions with individual members of staff the benefits that are on offer. Other staff will quickly realise what is going on.
- Almost certainly, you will be able to identify some staff who are already working above what is expected of them. Start with them. Then work outwards.
- As staff begin to recognise the benefits of in-group membership, many will want to join. Ensure that everyone gets the same chance to join but only recruit those who have demonstrated by their attitude to work that they are willing to enter into a closer working relationship.
- You are not being unfair if you refuse membership to someone who lacks commitment to their work, but it is unfair to exclude someone just because you don't like them.

QUESTIONS TO ASK

- Can I be confident that my in-group will not just be made up of friends?
- How am I going to deal with the members of my out-group?

THEORY 21

DRUCKER ON WHY RESULTS
MAKE LEADERS

Use as the only true measure of your leadership ability.

Peter Drucker (1919–2005) was never afraid to ruffle a few feathers. While many writers were talking about how great managers were required to be either charismatic and/or transformational, Drucker cut through the hype and said that:

Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.

Peter Drucker

Effectively what Drucker claims is that managers are defined by the results they achieve. If you achieve outstanding results, people will view you as a great leader. They will even start to analyse your leadership style and try and identify the secrets of your success for others to use.

HOW TO USE IT

- You cannot demand that people call you their glorious leader, unless you have the military and the secret police to back you up. The title of leader is bestowed on you by your followers. To attract followers you have to demonstrate achievements. Once you do that, people will want to be associated with you and the work you do because they too want to be part of something bigger than themselves that is successful.
- Manage expectations. Always under-promise and over-deliver. Never accept an unrealistic deadline. Such deadlines set you up to fail. Instead, negotiate the deadline with your boss. For example, you're asked to run a project and your boss suggests that it will only take six weeks. Play for time. Say something like 'Can I have a couple of days to think about how I'm going to handle it'. A reasonable boss will have no problems with that. Assess the job fully and decide how long you think you need. If it's seven weeks, you go back to your boss and say you need eight weeks. You then deliver in seven. That way you are the manager who delivers ahead of the deadline and not the one who was a week late.
- If the deadline is immovable still play for time, only this time review the workload contained in the project. Identify the 80%+ of the work that you can do in the time available (see *Theory 91*). Normally this will be sufficient to satisfy the organisation's requirements. The less urgent aspects of the project can then be delivered after the deadline.
- For all targets, both those that are delegated to you and those you draw up for your staff, describe and define them using the SMART criteria (see *Theory 97*), i.e. each target must be Specific, Measurable, Achievable, Realistic and Timely.
- Hold regular review meetings with staff to monitor progress against each target. Where there is a significant negative variance from that expected, take corrective action. Where there is a positive variance, identify what has caused it and see if it can be extended further.

QUESTIONS TO ASK

- Am I a pushover when it comes to accepting deadlines or do I negotiate fair but challenging deadlines with my bosses?
- How effective am I at monitoring progress against my targets?

THEORY 22

WARREN BENNIS ON THE MYTH
THAT LEADERS ARE BORN NOT
MADE

Use to remind you that with practice you can become a great leader.

Warren Bennis (1925–2014) was an American academic, management consultant and an influential writer on the subject of leadership. One of the tasks he set himself was to demystify the concept of leadership. He firmly believed that:

The most dangerous leadership myth is that leaders are born . . . The myth asserts that people simply either have certain charismatic qualities or not. That's nonsense . . . Leaders are made rather than born.

Warren Bennis

In his seminal book, with Burt Nanus, *Leaders: Strategies for taking charge* he provides pen portraits of forty successful leaders, many of whom clearly lacked charisma as most people would understand it.

WHAT TO DO

- To become an expert in any field Malcom Gladwell, author of *The Outliers*, suggests that you need to practice for 10,000 hours. This figure seems to hold true over a wide range of professions from science to football and from writing to medicine. Assuming a thirty-six hour working week that amounts to approximately 278 weeks or 5.34 years of work experience as a leader is required to become an expert. Unfortunately, you can probably double that figure because much of your time will be spent on administration, drinking coffee and attending meetings. So start to become a leader early!
- From the day you start work don't think of yourself as an accountant, economist, systems analyst or the member of any other trade or profession. Think of yourself as a leader and act accordingly. Record your success and failures in your learning journal and analyse the reason for both.

- Read about leadership. Vary your reading between text books, leadership guides and biographies of great leaders. This provides the fuel for your thinking about leadership.
- Arrange to shadow a leader you respect in your organisation for a couple of months on a part-time basis – you still have to do the day job. If that isn't possible observe the actions of those people in the organisation who you and others think of as leaders. These people may not be members of senior management. They might be supervisors or middle managers. In your learning journal record how they, and other leaders, deal with specific situations. Analyse what they did and try to identify the ideas and strategies that they used.
- Whether you are a senior, middle or junior manager, volunteer to lead projects, especially those requiring cross-departmental co-operation. Project management will provide you with experience of dealing with a range of issues, people and disciplines, many of which will be outside your normal professional experience. You may find it difficult, but as a developmental experience it's invaluable.
- Don't be put off if people tell you you're not a leader. What they really mean is that you are not their kind of leader. Mrs Thatcher was loathed and despised by large sections of the British public, but no one could deny that she was a leader.

QUESTIONS TO ASK

- Do I think of myself as a leader? If not, why not?
- Who's the best leader I've ever worked for? What were the characteristics I admired most about their style of leadership?

A FINAL WORD ON LEADERSHIP THEORIES

WHY HERSEY AND BLANCHARD WERE CROWNED KING

Many theorists criticise Hersey and Blanchard because their theory has not been subject to rigorous academic research. So what? Situational theory has provided thousands of leaders with a simple and effective way to lead staff. Hersey and Blanchard's books have been best sellers worldwide and every year thousands of training events are based on their ideas. The theory has proved its value in the toughest research environment possible – the marketplace. It's easy to understand, easy to use and intuitively it feels and sounds right. Take it out for a spin and see what you think.

In any leadership situation there are two parties, the leader and their followers. The more you know about yourself and your followers the better leader you will be. Use MBWA (see *Theory 7*) and every interaction you have with staff to learn more about the people you work with. Listen and observe and you'll quickly learn what makes them tick. This will help you to both lead and motivate them.

Learning about yourself is more difficult. We're experts at hiding our true nature and motives from ourselves. We don't even know what we look like because we have never seen a three-dimensional image of ourselves, so is it any surprise that we know even less about our personality and how we are perceived by other people? The only way to get an idea of what you are really like is to ask others. Use Johari windows theory (see *Theory 96*) to help you kick-start the process. Unless you understand yourself you can't know what you believe in or what your principles are. This makes it impossible for you to identify the red lines in the management dust that you will never cross. But if you stand for nothing, you will be willing to stand for anything and to cross any red line when it becomes inconvenient.

SECTION 3

HOW TO MOTIVATE YOUR STAFF

INTRODUCTION

Dwight D. Eisenhower once described leadership as ‘the art of getting someone else to do something you want because he wants to do it’. While we’re talking about American generals, how about George Patton’s belief that ‘You don’t tell people how to do things, you tell them what you want doing and let them surprise you with the results’. What managers understand is that people are motivated by their own needs, expectations and interests. But great managers know that people also have overarching values that impact on their motivation to do things. Tap into these values and watch the person perform beyond your wildest expectations.

The entries discussed emphasise three broad approaches that writers on motivation have taken. These are:

- 1 Motivation as a force that satisfies people’s needs.
- 2 Theories that examine how the way in which we treat people either motivates or demotivates them.
- 3 The importance of good communication between managers and staff.

There are similarities as well as some opposing views expressed in the entries. It’s up to you to decide for instance whether Maslow’s progression theory makes more sense than Alderfer’s adaptation theory. Whatever choices you make the theories will help you to connect with staff at a meaningful level. Read the theories and think about their application and, I promise, you will be able to identify everyone you know or ever will know within one or more of the theories.

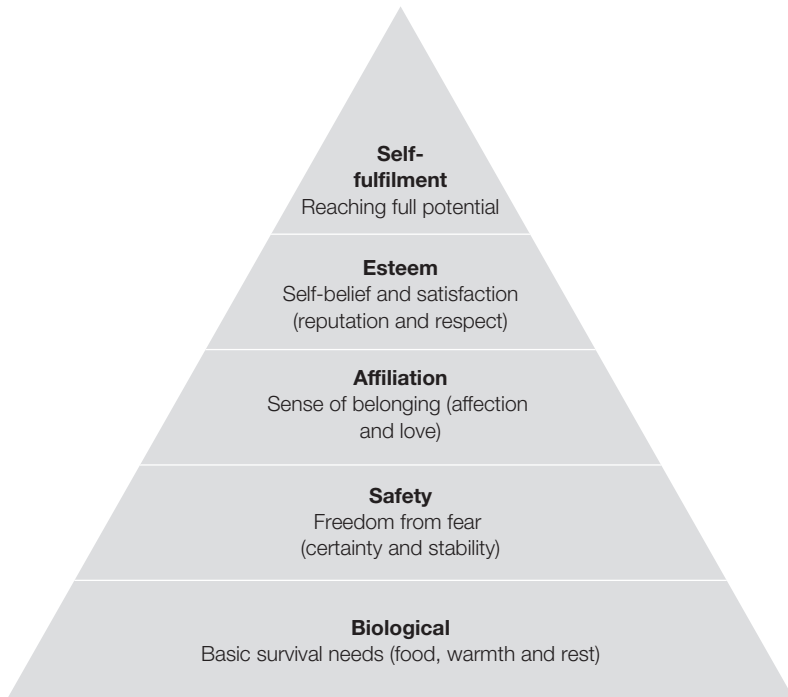
One thing that is clear from these entries is that words lead to actions. Therefore, whenever you try to motivate someone think carefully about your message and how you are going to communicate. Think also about how the message will be received, interpreted and acted upon by the recipient. Is that the response you want? Remember, there is often a huge difference between the message you think you sent and the one the person receives.

THEORY 23

MASLOW'S HIERARCHY OF NEEDS THEORY

Use as a general overarching theory that explains people's whole life motivations, many of which will not be satisfied in the world of work.

Abraham Maslow's pyramid represents a hierarchy of needs that must be satisfied in a sequential order from bottom to top. He suggests that failing to satisfy a need at any level will prevent progression to the next level.



The needs can be divided into two categories. Basic needs include biological and safety. Growth needs include affiliation, esteem and self-fulfilment. Maslow argues that people die if their basic needs aren't satisfied and feel inferior and dissatisfied if their affiliation and esteem needs go unfulfilled and if they cannot achieve self-actualisation.

Managers have a responsibility to ensure that an employee's basic needs are met and to create a climate in which employees can develop.

HOW TO USE IT

- Ensure that your team's basic needs are met. These include food, water, warmth, rest and shelter. These equate to a safe working environment free from physical and psychological harm. Heating, lighting and ventilation must meet required standards and you should regularly compare pay and conditions with what your competitors are offering.
- Once basic needs are met start to work on satisfying some of the higher level needs. Encourage social interaction and team spirit. Some organisations have dress-down Fridays as a means of encouraging less formality and greater interaction.
- People now feel happy and content with life in your organisation. They are well-paid members of a family with a good sense of security and belonging. Build on this by developing opportunities for teamwork (see *Section 5*).
- Build and enhance your team's self-esteem by designing challenging jobs. Give positive feedback and praise regularly. Delegate responsibility and offer developmental training opportunities. Contentment now becomes excitement as people start to feel valued.
- By now the pyramid is nearly complete but putting the final touch to it may be beyond even the best manager. Most people don't seek to achieve self-actualisation at work. They find that elsewhere. However, you can create the conditions for self-fulfilment by providing challenges for all staff, encouraging creativity and removing any obstacles that might block a person's progress.

QUESTIONS TO ASK

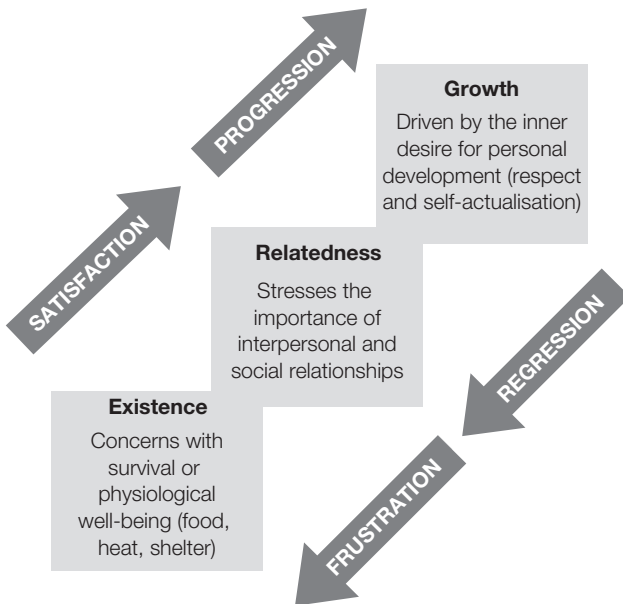
- What are my lifetime ambitions?
- What would count as self-actualisation for me?

THEORY 24

ALDERFER'S EXISTENCE, RELATEDNESS AND GROWTH (ERG) THEORY

Use when a member of your team has regressed to a lower level of development/motivation and you need to arrest and reverse the decline.

Clayton Alderfer summarised human motivation factors into three categories rather than the five Maslow used (*see Theory 23*). He called these existence, relatedness and growth.



Alderfer maintains that, although there is a progression from existence through to growth, all three needs can be operating as motivators simultaneously and it is not uncommon for people to regress to a lower level set of needs.

HOW TO USE IT

- Compare Alderfer's existence, relatedness and growth needs with Maslow's hierarchy (see *Theory 23*) and you will see that they are almost identical. The difference is that Alderfer suggests that you must address all three sets of needs simultaneously. Focusing on just one at a time will lead to discontent.
- Frustration at not being able to satisfy all needs may cause staff to regress to one of the lower levels. For example, if you fail to satisfy their need for personal development, they may regress to relatedness needs such as dependence on socialising with workmates or questioning whether pay and conditions are acceptable.
- If the person starts to regress (disinterest in work or sudden poor attendance or time-keeping) arrest the decline and make sure they don't fall back further. Meet with them and identify as precisely as you can what the problem is. Use Berne's theory (see *Theory 31*) and NLP (see *Theory 93*) to ensure good quality exchanges and try to stabilise the position.
- Once the problem has been correctly identified, work with the person to agree a plan of action. This will probably require both of you to do something.
- Ensure that you deliver on what you have promised and monitor on a regular basis that the person is meeting their targets.
- There will be occasions when you can't stop a person regressing. In such cases try to understand why they have regressed and work with them to address any frustrations they have until they are able to pursue growth again.

QUESTIONS TO ASK

- Have I reached a plateau in terms of my own personal development and motivation?
- If so, what am I going to do about it?

THEORY 25

McCLELLAND'S ACHIEVEMENT
AND ACQUIRED NEEDS THEORY

Use to understand the three overarching needs that people within your team have.

David McClelland proposed the theory that people are motivated by one of three needs: the need for achievement, power or affiliation. He argued that a person's motivation and effectiveness in a specific job function would be influenced by one of these needs.

McCLELLAND'S ACHIEVEMENT AND ACQUIRED NEEDS THEORY CAN BE SUMMARISED AS:

Achievement (N-Ach): The N-Ach person seeks achievement, attainment of realistic but challenging goals, recognition for a job well done and advancement.

Power (N-Pow): The N-Pow person has a strong desire to motivate or lead others. This can take the form of personalised power which can involve seeking advancement at the expense of others.

Affiliation (N-Affil): The N-Affil person has a need to maintain friendly relationships and interaction with others and seek acceptance from them.

Although the drive to satisfy one of the needs will dominate, individuals will also need to satisfy elements of the other two.

HOW TO USE IT

- There's no questionnaire to help you here. You'll have to talk to each person individually about what they want from their job and what they think they can contribute to the organisation. Keep the meeting friendly but don't be afraid to ask direct and challenging questions.
- Based on the information collected, identify which of McClelland's three needs dominates each person and develop a strategy for dealing with them.
- Individuals who have a need for achievement (N-Ach) will thrive when you give them personal responsibility. But they fear failure and may only be prepared to take moderate risks. Give them support and regular feedback but step in if they start to demand too much of other team members who are not as task focused as them (see *Theories 5 and 12*).
- Individuals who have a need for power (N-Pow) have a high work ethic and a commitment to the organisation and their job. Which is great. However, many people who seek personalised power don't have the flexibility and people skills required to work well with others. Give them projects to work on alone and keep a watchful eye on them. Step in if their behaviour becomes overly forceful (see *Theories 31 and 92*).
- Individuals who have a need for affiliation (N-Affil) are a treasure to work with until their fixation on maintaining good social relationships undermines their ability to do their job. Play to their strengths. Insist that they do their job but allow them time to act as mediator in minor disputes among team members and organise the social activities for the team (see *Theory 40*).

QUESTIONS TO ASK

- Which stereotype do I and members of my team fall into?
- Do I need to change my behaviour or that of my staff?

THEORY 26

HERZBERG'S MOTIVATION AND HYGIENE THEORY

Use to distinguish between those factors that genuinely motivate staff and those that merely demotivate them when they fall below acceptable levels.

Frederick Herzberg identified two groups of factors. Motivating factors which create satisfaction and hygiene factors which don't provide satisfaction but can be a source of dissatisfaction if they fall below acceptable levels.

The most important factors are:

<i>Motivating factors</i>	<i>Hygiene factors</i>
Recognition, achievement, advancement, nature of the work undertaken, responsibility	Pay, company policies, relationship with supervisors, working conditions, feelings associated with lack of status or security
If these factors are present staff will feel motivated	If these factors fall below a certain level dissatisfaction sets in

Herzberg uses the term KITAs (literally kicks in the ass) when he refers to some of the ineffective strategies used by managers to motivate staff.

THESE ARE:

Negative physical KITAs are literally a kick in the backside and include critical feedback or a telling off.

Negative psychological KITAs include emotional game playing and physiological manipulation.

Positive KITAs include bonuses, pay increases and benefits. However, he argues that regardless of how generous the positive KITAs are, they will not on their own generate positive motivation. However, if they drop below an acceptable level they will cause resentment and de-motivation.

HOW TO USE IT

- Start by recognising that most people are not motivated solely by pay and working conditions.
- Make people's work interesting. Redistribute the more mundane tasks between members of the team and impress on each person the importance of their job to the team's overall performance.
- Give each member of staff the necessary resources and training they need to work effectively. Make them responsible for the quality of their work and give them the autonomy to get on with it. Do this and they will see work as their responsibility and not something they just do for the boss.
- Set challenging but realistic targets which when achieved will give staff a feeling of achievement. Recognise such achievements publicly. Simply saying 'thank you' or 'well done' publicly will do wonders for morale and productivity.
- Provide opportunities for advancement and personal development for all staff. Promote from within whenever possible but remember, providing a new challenge or more interesting work can provide greater motivation than a pay rise or promotion.
- Although factors such as pay and working conditions are not motivational factors, if they fall below a certain level they can be serious de-motivators. Benchmark (see *Theory 83*) pay and working conditions with similar groups in your organisation and competitors and ensure equivalence.
- Maintain good communications with staff and adopt their good ideas. But make sure that they receive full recognition for their suggestions.
- Don't be afraid to use negative physical KITAs. By delivering a telling off to a member of staff you can often provoke the reaction 'Right, I'll show them!': which is exactly the response you want.

QUESTIONS TO ASK

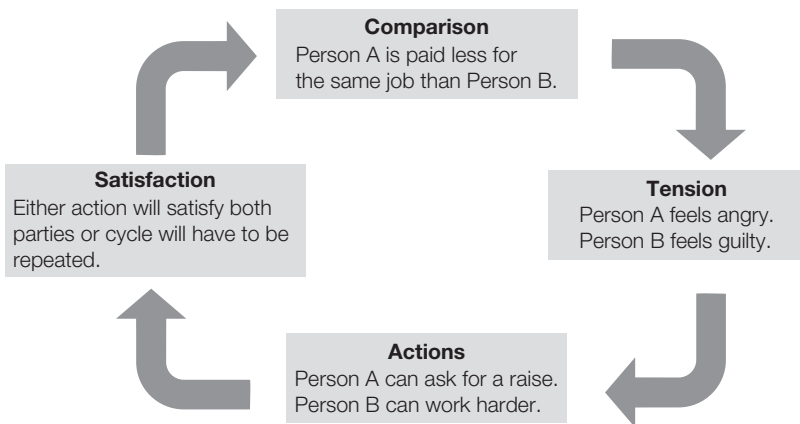
- Do I assume that what motivates me motivates my staff?
- Do I publicly thank and/or celebrate the success of my staff?

THEORY 27 ADAMS' EQUITY THEORY

Use this to understand how people act when they perceive they are treated differently from another member of staff.

Stacy Adams' equity theory is based on the principle that people are motivated to act in situations where they perceive they have been treated inequitably or unfairly. Adams argues that the more intense the perceived inequity, the higher the tension, and the stronger the motivation to act.

The figure below tracks the perceptions of two different people. A who feels s/he deserves to be treated better than B. And B who feels guilty at not working as hard as A.



A stalemate occurs if neither or both actions take place (e.g. A getting a raise and B working harder simply replaces the focus of the tension).

Employees who perceive inequity will seek to address it by reducing their level of effort, increasing their pay or leaving the organisation.

HOW TO USE IT

- Look for the signs of discontent including sulking, passive or aggressive behaviour, tensions between two or more members of staff, snide remarks during meetings or conversations and general 'dark mutterings'.
- Accept that any sense of inequity stems from the person's perception of how unfairly they have been treated. Such perceptions are seldom based on fact but are driven by emotions.
- Accept that the extent of de-motivation is proportional to the degree of perceived disparity in treatment. You will find that some people feel a huge sense of unfairness at the slightest indication of inequity.
- Recognise that you are dealing with emotions and that they are never logical. Telling someone they are wrong is not always going to work.
- Meet with the person/s concerned. Allow sufficient time for the meeting, it's not going to be done and dusted in ten minutes. Let each person tell their story and blow off steam without interruption. This by itself will lower the temperature.
- Many people have misconceptions about what is equitable. Some have delusions of adequacy and an inflated view of their importance to the organisation. If they are not as indispensable as they think you need to tell them. They won't like it but you must confront them with the reality of the situation. Not what they think it is (*see Theory 92*).
- If you discover that inequality exists, deal with it. And while you are at it, check if your dispute is just a symptom of a wider problem in the organisation.

QUESTIONS TO ASK

- What is the precise problem I am facing?
- Is it a problem of recognition masquerading as an issue about pay or conditions?

THEORY 28

VROOM'S EXPECTANCY THEORY

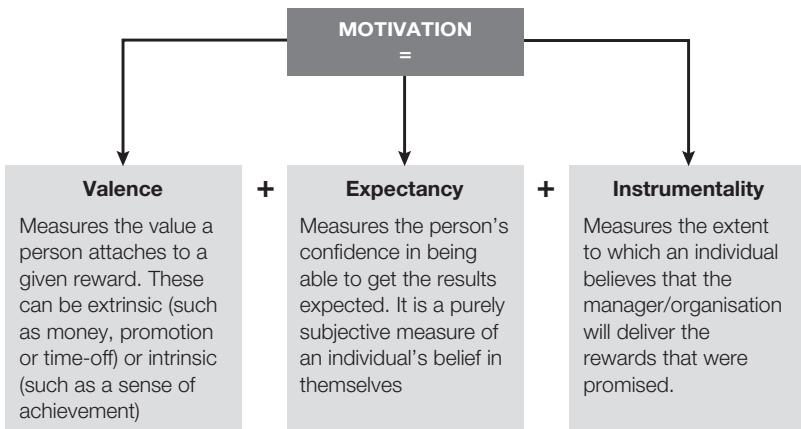
Use this to understand why people react to certain work-based requests or promises as they do.

Victor Vroom suggested that an individual will behave in a certain way based upon the belief (expectation) that a specific act will be followed by a desired reward (valence) once the act has been completed (instrumentality).

He expressed his expectancy theory of motivation in terms of a mathematical formula:

Motivation = Valence × Expectancy × Instrumentality.

If any one of the three factors is nil, the overall score will be zero, and there will be nil motivation.



The model assumes that it is possible for the manager to score these three factors when in reality they are subjective and incredibly difficult to assess in ourselves let alone in another person.

HOW TO USE IT

- Don't dismiss Vroom's theory just because people don't consciously allocate scores to concepts like valence, expectancy and instrumentality, and if they did how on earth could you as a manager guess what they were? People may not use the jargon or consciously identify and weigh up the factors in the terms that Vroom describes, but they do think in terms of: What do I want? How likely is it that I can get it? Will the organisation deliver on its promises?
- So forget about the scores. Instead, find out what your employees want from their job and provide work that is economically beneficial and/or intrinsically motivating for them. This will have the effect of creating rewards that they really want (see *Theory 26*).
- If expectancy is all about effort and results, make sure that you create an environment where effort is both encouraged and rewarded and employees have access to the resources, equipment and materials they need to get results.
- Strengthen the instrumentality link in the chain by keeping your promises and distancing yourself from those that don't.
- It's no good delivering on two out of the three factors because, as shown by Vroom, failure to deliver on any one results in nil motivation.

QUESTIONS TO ASK

- Which factor (if any) would I and my staff give a score of zero to – valence, expectancy or instrumentality?
- Even if there are no zero scores what can I do to show staff that good work is recognised and rewarded?

THEORY 29

MYERS–BRIGGS' PERSONALITY
TYPE INDICATOR

Use this to get to know the different personality types that you have in the team and how they are likely to respond to instructions.

The Myers–Briggs Type Indicator (MBTI) was developed by Isabel Myers and Katherine Cook-Briggs in the 1960s. It is built on four different scales, first suggested by Carl Jung, as a way to describe personality types. The scales can be summarised as:

The **Extrovert (E)–Introvert (I)** scale explores how people respond and interact with the outside world. Extroverts are usually action orientated and enjoy frequent social interaction, whereas Introverts are thoughtful thinkers who enjoy solitude.

The **Sensors (S)–Intuitors (N)** scale explores how people gather information from the outside world. Sensors focus on facts and details and enjoy hands-on experiences, whereas Intuitors pay more attention to patterns and impressions and enjoy speculating and imagining future possibilities.

The **Thinkers (T)–Feelers (F)** scale explores how people make decisions from the information they gather. Thinkers place emphasis on facts and objective data and tend to be consistent, logical and objective when making decisions, whereas Feelers are subjective and consider people and emotions when making decisions.

The **Judges (J)–Perceivers (P)** scale explores how people tend to deal with the outside world. Judges prefer structure and order, whereas Perceivers are more flexible.

In the MBTI respondents are categorised into one of sixteen personality types. For example people with preferences for being *Extroverts*, *Sensors*, *Thinkers* and *Judges* are categorised as *ESTJ* personality types. Myers and Briggs indicate that the MBTI is not a test and there are no right or wrong answers. All types have equal value and there are no norms against which a personality type could be compared.

HOW TO USE IT

It's important, as a manager, to know what personality types there are in your team. This will give you some idea about how an individual is likely to respond to your instructions and strategies for getting the best out of them.

<i>Personality Type</i>	<i>Preferred Approach</i>
ESTJ	Following directions to the letter and completing tasks on time.
ESTP	Reacting better to real things such as sights, sounds and experiences.
ESFP	Trusting their instincts and abilities when solving problems.
ESFJ	Being in situations where things are certain or controlled.
ENFP	Not having to deal with routine and uninspiring tasks.
ENFJ	Speculating on how others may be affected.
ENTP	Generating new ideas and theories rather than detail.
ENTJ	Avoiding confrontation or heated discussion.
ISTJ	Working with clearly defined schedules and tasks.
ISTP	Learning and understanding how things work.
ISFP	Working on concrete information rather than abstract theories.
ISFJ	Sitting back and observing others.
INFP	Solving problems based on personal values rather than logic.
INFJ	Expressing themselves on paper.
INTP	Being encouraged to share their thoughts with others.
INTJ	Working by themselves rather than in groups.

Although the MBTI is a useful tool for managers in helping to forecast how someone's personality may affect their thinking and actions, it's not infallible so use it with caution.

QUESTIONS TO ASK

- How well do I know the personalities of my team members?
- How well do I know my own personality?

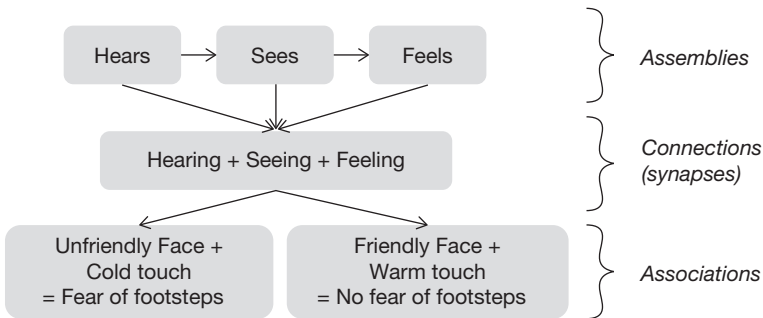
THEORY 30

HEBB'S LAW OF ASSOCIATED LEARNING (LIMBIC MOTIVATION)

Use this to develop your understanding of why some people react more positively to your instructions than others.

The limbic system is the collective name for the audio, visual and tactile neural connections in the human brain that affects learning and motivation. Donald Hebb formulated a theory to explain what actually happens when limbic systems in the brain are simultaneously and repeatedly active. He claimed that this created the synapses (or links) that lead to cell assemblies through which connections are made.

Hebb uses the example of a baby hearing footsteps to describe how the process works. After the footsteps, an assembly is excited and the baby will be motivated to have either a positive or a negative reaction to the footsteps, depending on whether the person is someone they have grown to love or fear. Here's how the limbic process can be depicted:



Understanding how to apply Hebb's theories as a manager is based on the principle that instructions given to someone affect the brain in two different ways: It creates brand new synapses or links (most common in younger people) or rearranges existing ones (more common in adults). Either way, the brain is remoulded to respond positively or negatively to the instructions.

HOW TO USE IT

To use Hebb's theory effectively as a manager, you need to:

- Accept that people react differently. Some will have a greater capacity to organise instructions and therefore be able to make the associations easier than others.
- Develop a strategy for dealing with the different levels of reaction in your organisation. Someone with well-formed neural connections can attach new data to existing networks and will be better motivated when you encourage them to connect with what they already know. Someone with less-developed connections will struggle to assimilate new data because of the energy it takes the brain to create new synapses. In this instance break instructions down into bite-size chunks.
- Appreciate that there is no proven link between the capacity to make neural connections and intelligence. Use the computer analogy to make sense of this. Something with a higher operational specification will function quicker and more effectively than something with a lower operational specification. That doesn't mean that the lower specification machine is incapable of making connections, just that you have to spend more time and effort getting it to a stage where it can do it.
- Use powerful tools such as metaphors, stories and analogies to help people to develop meaningful connections, see patterns develop and make sense of the new data.

The phrase 'cells that wire together, fire together' is often used as a metaphor to describe Hebb's theory; meaning that if someone continually reacts in a certain way, then the neurons in their brain tend to strengthen that reaction, becoming what we know as habit. Managers need to appreciate when that habit needs to be fostered or changed. The more deep-rooted the habit, the more difficult it may be to change.

QUESTIONS TO ASK

- How good am I at recognising the different capacity of my employees to absorb instructions?
- Am I making good use of metaphors, stories and analogies to help people to develop meaningful connections?

THEORY 31

BERNE'S THEORY OF TRANSACTIONAL ANALYSIS (CROWN AS KING)

Use this to become a more effective communicator.

Transactional analysis theory describes the state of mind that a person is in when they give or receive a message. The way managers communicate with staff has a significant effect on how staff receive, interpret and act upon the broadcast message. Berne identified five patterns of behaviour, or ego states, that people use when communicating.

THE CHARACTERISTICS OF EACH EGO STATE ARE:

The critical parent state: The person is overbearing and tells people what to do.

The nurturing parent state: The person expresses concern for people's feelings but likes to tell people what to do in the guise of offering advice.

The free child state: The person expresses their emotions without constraint.

The adaptive child state: The person lacks confidence and is anxious to please.

The adult ego state: The person acts with maturity and assesses the situation in a calm and rational manner.

Although behaving in the adult ego state is generally the most effective approach, Berne suggests that there are times when managers may need to adopt the parent or even the child ego state in order to motivate employees.

HOW TO USE IT

- Recognise that you have the ability to adopt any ego state.
- To use transactional analysis identify which ego state your staff are in and adopt the ego state that is most effective in dealing with them.
- If you are both in a parent ego state then the likelihood is that there will be friction as you both try to impose your own rules on the other.
- If you are both in a child ego state you might have a bit of fun but nothing will get done because you will be too busy sucking your thumbs and throwing your teddies out of the crib.
- If you are in the parent ego state and the other person is in the child ego state or vice versa then this will produce an outcome satisfactory to at least one side, but this may be short-lived.
- The ideal state to aim for is when you are both in the adult ego state.
- To move from either the parent or child ego states ask questions such as: What can we do about this? How can I support you to get this done? How can we sort this? How would you suggest we move forward? If you follow this simple process it will improve your ability to manage and motivate your staff significantly. Give it a try.

QUESTIONS TO ASK

- Which is my normal state? Is it a productive state? If not, how can I change it?
- What causes me to shift states? Is it words, actions or events?

A FINAL WORD ON MOTIVATION THEORIES

WHY BERNE'S THEORY WAS CROWNED KING

Berne's theory suggests that communication involves a set of hidden transactions. It was considered too radical at the time of its publication in the 1960s and has only really been used by managers since the 1990s.

I chose this theory because it emphasises that how we talk to people has a greater impact on their levels of motivation than such things as pay and conditions. If management is about relationships then it's essential that you communicate in a respectful and adult manner with your staff and guide them to the position where they too communicate with you in the same vein. Of course, you and your staff will disagree on a range of issues but don't make matters worse by adopting the wrong ego state.

Whatever level of satisfaction people wish to achieve at work, never underestimate the importance of allowing autonomy and giving feedback as motivational tools. Even the most mundane job can be rewarding if the person doing it can exercise a reasonable level of control over how they undertake their work. Combine this with regular feedback and many people will be perfectly happy to get on with their work and monitor their own performance.

In order to maintain a happy workforce be on the lookout for any signs that a member of staff harbours resentment about how they are treated. If you see signs of sulking, uncooperativeness or poor work, find out what's causing the feeling of unfairness and take immediate action. If you are slow in reacting, the problem will fester, grow and infect others.

To help any member of staff get back on track you have to use the right blend of encouragement, command, control and support. That's where Berne's theory comes into its own. If you identify what ego state they are in you can use the What? Why? When? How? questions to guide them to the adult-adult ego state where issues can be discussed and resolved in an atmosphere of mutual respect.

Whichever approach you take with staff remember that motivation is all about matching rewards to effort and achievement. To maintain a motivated staff you have to deliver on your promises. Break these and any chance you have of motivating staff will disappear.

SECTION 4

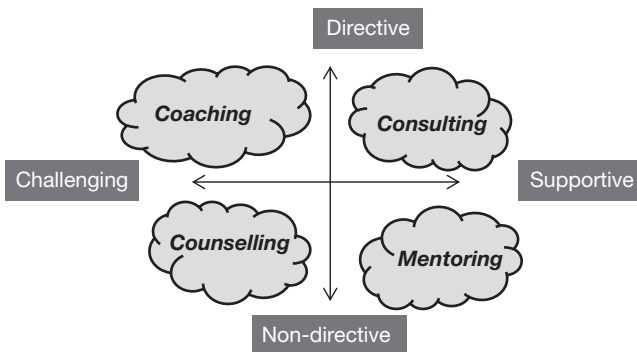
THE MANAGER AS COACH

INTRODUCTION

It's important to locate coaching in respect of the various human resource development approaches that you can use as a manager. A good starting point is to use the metaphor of *learning to drive*.

- A *consultant* will advise you on the most appropriate car to drive.
- A *counsellor* will try to challenge you to address any anxieties that you have about driving.
- A **coach** will encourage you to get in and drive the car correctly.
- A *mentor* will share their own driving experiences with you.

The measures can be represented in terms of Challenging & Supporting and Directive & Non-Directive in the following diagram:



The one thing that unites each of the above approaches is that they seek some form of behaviour modification in the individual. In this respect, the difference between coaching and mentoring (often used in the same breath) is that one is seen as directive and challenging, whereas the other is non-directive and supportive.

Whichever approach you adopt, you need to have the basic belief that the person you are managing:

- has the ability to change
- will make the best choice available to them

Supporting them to reach their desired state is more of a journey than a destination.

This section consists of a number of the most significant models relating to coaching.

THEORY 32 EGAN'S SKILLED HELPER MODEL

Use this when you want to empower someone to manage their own problems.

Gerard Egan's Skilled Helper model is a three-stage coaching model in which the objective is to achieve lasting change and empower people to manage their own problems more effectively. The model can be depicted as:



The three stages can be summarised as:

Exploration: The purpose here is to build a non-threatening relationship with the other person and help them to explore their current situation by identifying and clarifying problems and opportunities and assessing their ability to deal with these.

Challenge: The purpose here is to help support the other person in developing a more in-depth and objective understanding of their situation by encouraging them to question what their real needs and wants are and what other possibilities they could consider.

Action: The purpose here is to help the other person to turn good intentions into actual results by helping them to set specific, measurable, achievable, realistic objectives with a timescale for achieving them.

Egan argues that the *Skilled Helper* approach encourages people to become active interpreters of the world by giving meaning to actions, events and situations. He also stresses the importance of people facing up to, and overcoming, challenges and problems and seeking out new opportunities.

HOW TO USE IT

- Find out what is happening to the other person in their words and then to reflect it back to them without prejudice or making judgements.
- Make sure that you keep your own views to yourself and focus on the issues that are important to them.
- Summarise the key points to emerge from the discussion. Make sure that you have agreement on these.
- If you have been successful in establishing rapport with the other person any reluctance or resistance that may have been present in the exploration stage will have been overcome. Don't be afraid of revisiting stage one if you are still encountering resistance.
- Take each issue one at a time and encourage them to think about whether there are other ways of looking at the issue. Encourage them to explore various options and strategies, as well as helping them to understanding and overcome the barriers they may be facing.
- If they are now receptive to making changes, it's time to turn good intentions into action so get them to come up with as many strategies as they can. Help them to focus on those actions that are viable in terms of the existing situation, their needs and aspirations and the resources they have. Don't leave this stage without agreeing to a follow-up meeting to establish what progress the other person has made.

Now think about two issues where you had to help someone to handle change. Choose one that had a positive result and one that had a negative result. Now answer the two questions below.

QUESTIONS TO ASK

- What did I do that had an impact on whether the result was good or bad?
- Could I have handled it differently?

THEORY 33 GALLWEY'S INNER GAME

Use this when you want to understand how people's capacity to perform can be affected by internal as well as external influences.

Tim Gallwey used sporting analogies to demonstrate how coaching can be used to unlock a person's potential to maximise their performance. His main premise was that it was 'the opponent in one's head' that was more formidable than any external obstacle.

His basic philosophy is summed up in the formula:

Performance = Potential – Interference

Gallwey argues that, the main task of the manager as a coach is to reduce or remove the 'Interferences' that block the individual from reaching their optimum levels of performance. In order to achieve this, he suggests that a manager must engage in three stages of conversation. These can be summarised as:

Awareness: The stage where the situation is clearly defined and understood by all parties.

Choice: This is the development of conscious perception which involves broadening the vision of how to get to a desired outcome.

Trust: This is where the manager and individual being coached have unshakable faith in each other's capacity to deliver the goods.

Gallwey was perhaps the first writer to suggest a simple but comprehensive method of coaching that could be applied to almost any coaching situation. His ideas have influenced a number of leading exponents of business coaching. He defines 'really good coaches' as those who make the people being coached believe in themselves, their values and their capabilities.

HOW TO USE IT

- The awareness stage is simply the step of defining the situation clearly. Don't impose your perception of the situation and don't tell the individual what you are going to do. Ask them what they want out of the coaching and what coaching methods they feel comfortable with.
- The choice stage is about examining the options available that will achieve the desired objectives. Record all options regardless of how unrealistic they may appear; it's the process of getting a list that's important. Now do the reality check and discount the options that are not feasible. Prioritise the ones that are left.
- By now, because everything to date has been done with, not to, the individual, they should begin to feel respected, valued and able to move forward with confidence. The best coaches are those who make the person they are coaching believe in themselves, feel valued and have complete trust in their own abilities. This can only be achieved if the individual trusts in the coach's ability and intentions.

Achieving this level of coaching won't be easy. You need a mindset that acts as a framework for everything that you do. This includes: a good understanding of how people learn, your methods of communication, your motivational techniques and your value structure. Don't be fazed by this – these are attributes that you can learn!

QUESTIONS TO ASK

- Have we defined the situation clearly?
- Have we fully explored the options available to achieve the desired outcomes?

THEORY 34

GILBERT AND WHITTLEWORTH'S
OSCAR MODEL

Use this when you want to have a solution-focused coaching model.

Andrew Gilbert and Karen Whittleworth suggest that solution-focused coaching differs from other approaches in that it focuses on solutions rather than problems. They claim that their model is designed to discover what is working well and to replicate that, rather than continuing to do what is not working well. The model is based on the OSCAR acronym and the various constituents of the model can be summarised as:

Outcome: This is where the coach determines what the individual wants to achieve.

Situation: This is where the coach clarifies what the individual's current situation is.

Choice: This is where the coach and the individual discuss what options are available and the consequences of making particular choices.

Action: This is where the coach encourages the individual to take responsibility for their own action plan.

Review: This is an opportunity for both the individual and coach to reflect on the interventions so far and evaluate what's worked well and what needs to be modified.

Gilbert and Whittleworth suggest that their model will bring out the existing skills and capabilities of the individual and that ownership of the process is transferred from the coach to the individual.

HOW TO USE IT

The essence of good coaching, using this model, is getting the person being coached to visualise where they are, where they want to be and how you, as the coach, can support them to get there. Here are some useful questions that you can ask the person being coached in each stage:

- Determine the desired outcomes by asking: What do you want to achieve by working with me? What specifically do you want to achieve from the present session? How will you know when you have achieved the outcome?
- Clarify where the client is currently by asking: Where do you see yourself now? What specifically has happened for you to get there? What do you consider to be your strengths and weaknesses?
- Discuss what options are available by asking: What are the opportunities and threats facing you? What specifically are the consequences to you of these? What will happen if you don't face up to them?
- Decide what needs to be done next by asking: What is going well? What specifically is the next step to take? How will you know when you have achieved this step?
- Confirm that the client is on the right course by asking: What did you do to make the changes happen? What specifically are the effects that the changes have had? What do you think will change next?

QUESTIONS TO ASK

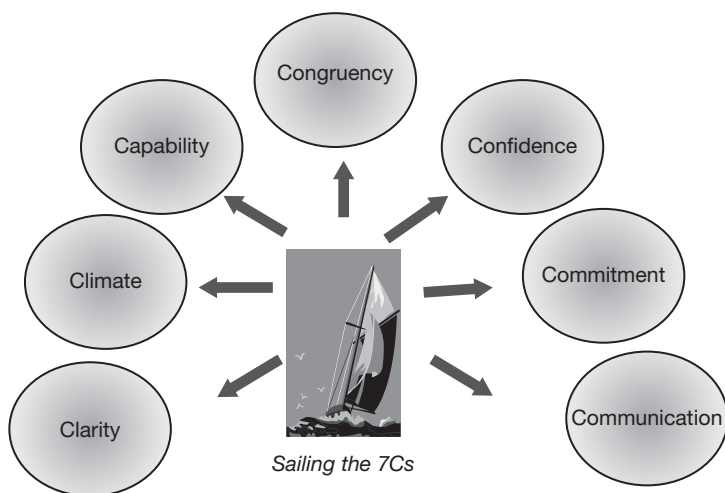
- Have I pinned them down by asking challenging but not intimidating questions?
- Are we both clear of where the individual stands at present and where they are going?

THEORY 35

GRIMLEY'S 7Cs COACHING MODEL

Use this when you want a systematic coaching approach that addresses a multitude of variables that may be holding people back.

Bruce Grimley suggests that good coaching addresses a number of variables that can be depicted as:



Grimley suggests that his 7Cs coaching model will ensure that by the end of the coaching session, the person being coached:

Is **C**lear about objectives they are working towards.

Believes that the **C**limate is right to tackle these objectives.

Has the **C**apability to achieve an effective outcome.

Is **C**ongruent and acts in a manner that is consistent with their feelings.

Is **C**onfident in their actions.

Is **C**ommitted to getting the most effective solution.

Will **C**ommunicate internally and externally their intentions in line with the above.

Grimley argues that in order for the 7Cs to operate, they must be framed within an eighth C – *Courage*. He offers a hypothetical example of a person seeking coaching who may have total *clarity* and *congruence* concerning a relationship they are looking to develop but lack the necessary *capability*

or *confidence* to pursue this relationship. Lacking *capability* or *confidence* might mean that their *commitment* to the cause begins to diminish and they either reach the conclusion that the time wasn't right for the relationship to develop or that they were either too good for or not worthy of the other person. By using the 7Cs approach, Grimley suggests that the coach will understand specifically what it is they need to work on with the individual.

HOW TO USE IT

I like Grimley's use of the term *Sailing the 7Cs* to describe the process in this model. It fits in nicely with the metaphor of people undertaking a journey. Here are some useful questions that you can ask the person that you are coaching to establish the level of consciousness they have in each of the Cs.

- **Clarity:** Make these questions specific and measurable by asking, 'What is it that you want to achieve?' 'How will you know when you have achieved it?'
- **Climate:** Relate these questions to the environment by asking, 'When is the right time to start working on the idea?' 'How long will you devote to achieving this?'
- **Capability:** Determine whether they consider the idea is achievable by asking, 'What skills do you have that you can use to achieve your objectives?'
- **Congruency:** Discover if the proposal is compatible with their own set of values and beliefs by asking, 'What personal qualities do you have that you can use to achieve your objectives?'
- **Confidence:** Decide what their level of self-belief is by asking, 'How do you see yourself now?' 'Where will you be in one (two or three) year's time?'
- **Commitment:** Gauge what their level of motivation is by asking, 'How much do you want this to happen?'
- **Communication:** Get a feel for the level of self-esteem they have by asking, 'What are they saying to others and themselves about their future?'

Accept that this may be a long drawn out process so persevere with it.

QUESTIONS TO ASK

- Am I sure that I have covered all of the bases on this one?
- Have I covered each of the issues in sufficient depth?

THEORY 36

HALE AND HUTCHINSON'S
INSIGHT COACHING CYCLE

Use this when you want to have a framework for supporting people to move forward.

Richard Hale and Eileen Hutchinson claim that the benefits of using the *INSIGHT Coaching Cycle* is that it will support the coach to achieve strength of character, transparency and the ability to develop an influential relationship with the person they are coaching based on sincere and honest dialogue. The model is based on the INSIGHT acronym and the various constituents of the model can be summarised as:

Initial assessment: This will give the coach the opportunity to elicit the core requirements for the coaching intervention.

Negotiating the coaching plan: This should cover important aspects of: what, when, where and how the intervention process will operate.

Self-development plan: This will enable the person being coached to identify areas for personal or professional development and enable the coach to discuss appropriate coaching approaches that will support the development.

Insight into own capabilities: This will encourage the individual to review their strengths and weaknesses.

Growth and personal reflection: This is an opportunity for both the person being coached and coach to reflect on the interventions so far and evaluate what's worked well and what needs to be modified.

Hierarchy of needs: This will give both the person being coached and the coach insight into whether the needs of both parties are being met (see *Theory 23*).

Testing new skills and knowledge: This will give the individual the opportunity to test new skills and knowledge and make assessments about what else needs doing.

Hale and Hutchinson claim that using this model will enable a coach to challenge perceptions, attitudes and behaviours in a relatively safe and secure manner.

HOW TO USE IT

Here are some tips and insightful questions that you could ask the person you are coaching in each stage:

- Determine what the individual wants by asking: What specifically do you want to achieve by working with me? What counts as 'success' to you?
- Clarify how, when and where coaching will operate by asking the individual: Where do you feel most comfortable learning? How do you see the client-coach relationship developing?
- Identify what areas for development are available by asking them: What are your current strengths and weaknesses? What are the opportunities and threats facing you?
- Gain a deeper understanding into the individual's beliefs, values and goals by asking: What do you believe that you will do differently as a result of the coaching? How will you know when you have achieved this step?
- Confirm that the individual is on the right course by asking: What are you doing to make the changes happen? What are the effects that the changes have had?
- Establish that their needs are being met by asking: How comfortable do you feel with what's happening to you? How would you assess your motivation to want to carry on?
- Confirm that the individual has achieved their desired outcome by asking: What are the main things that you have learned from the coaching? How do you intend applying the learning?

QUESTIONS TO ASK

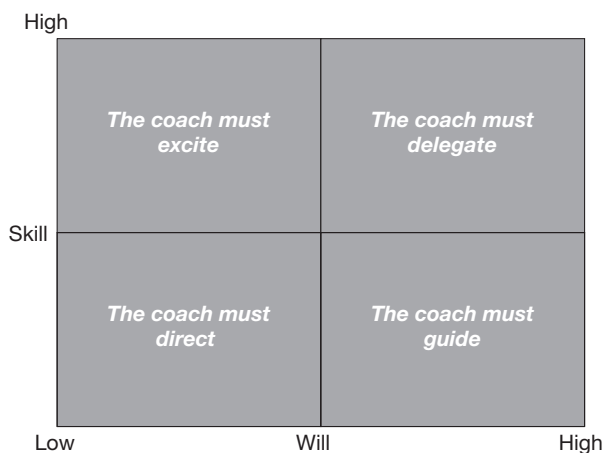
- Am I asking insightful questions?
- Am I getting honest answers to these questions?

THEORY 37

LANDSBERG'S TAO OF COACHING
(CROWN AS KING)

Use this when you want to increase your own effectiveness as a manager by helping others to develop and grow.

Max Landsberg argues that coaching involves giving feedback, motivation and effective questioning. He claims that the coach's main role is to recognise the individual's readiness to undertake a particular task in terms of both their *will* and *skill*. He suggests that coaching approaches will depend on the extent of *skill* and *will* along the following lines:



Landsberg asserts that coaches should develop a game plan that includes:

Setting the context: This will involve diagnosis of the levels of skill and will; being explicit about the approach to be undertaken; building trust in the relationship; finding out what excites the individual; and painting a compelling vision about what can be achieved.

Providing on-going coaching: This will involve choosing the most appropriate intervention measure which could involve substantive and structured sessions (lasting 20–60 minutes), brief discussions on performance (of 10–15 minutes) or very brief but frequent bouts of feedback.

Concluding effectively: This will involve reflection on what's been learned; obtaining feedback on your performance as a coach; and deciding on what happens next.

Landsberg describes coaching as a dynamic interaction that doesn't rely on a one-way flow of telling or instruction. In this respect he claims that coaches can also develop from the experience.

HOW TO USE IT

- In setting the context make it part of your coaching habit that you don't dive headfirst into suggesting the individual does this or that. Telling without asking is bad karma (am I mixing my cultures here?). Ask what they already have to offer in terms of knowledge and ability and how well motivated they are to develop further. Sharing your own strengths and limitations with the person you are coaching is a very powerful way of building trust in the relationship. Once you have developed this trust you can elicit what really excites the individual and how to pitch your vision of what's possible.
- Once you have established the context, you need to agree on which coaching interventions work best for you and the individual. You need to take into account the logistics of the situation. Frequent one-hour sessions may not be feasible if you both have other important functions to fulfil. Brief comments in passing however may not achieve anything substantial. Ask the individual what works best for them and see if you can fit it in with your other routines.
- Get effective closure. As well as improving the performance of the individual, you'll want your own self-esteem and reputation as a coach to grow as a result of the intervention. Get them to reflect on what they've learned and what contribution they feel you have made to this. Always ask the individual what they plan to do next.

QUESTIONS TO ASK

- Have I taken enough care and attention in finding out the desired outcomes for both the individual and the organisation?
- Am I willing to accept feedback on my own performance as a coach from the person I am coaching?

THEORY 38

ROGERS'S SIX PRINCIPLES OF COACHING

Use this when you want a basic set of principles to support you to coach at all levels within an organisation.

Jenny Rogers claims that coaching is a partnership of equals whose aim is to achieve increased and sustainable effectiveness through focused activity. She suggests that coaching raises self-awareness and identifies choices. She offers her *Six Principles of Coaching* model as a process for achieving this.

The six principles are:

The client is resourceful.

The coach's role is to help the client to develop this resourcefulness.

Coaching addresses the whole person.

The client sets the agenda.

The coach and the client are equals.

Coaching is about change and action.

The philosophy underpinning Rogers's model is that the core purpose of coaching is to increase self-awareness, to make choices explicit and to close the gap between what the client is currently doing and what they are capable of doing.

HOW TO USE IT

- Make sure that the person you are coaching has sufficient information and resources to achieve their desired outcome. If not, find out what you can do to help them get it, but don't spoon-feed them with it.
- Never give advice. This implies that you know better than them, that they therefore are lesser people, which in turn may lead to them becoming dependent on you. Of course you're not their coach for nothing and they clearly want to learn from you but do this by asking challenging questions and getting them to reach their conclusions about what to do next.
- Although you're not their therapist, there may be issues that they have to deal with, which require you to look beyond the immediate circumstances; personal as well as professional. You may feel uncomfortable about this and will need to know what your boundaries are. Don't duck these issues but have the sense if necessary to signpost them to others who may have more expertise in dealing with the issue.
- There should be no hidden agendas. It's the individual's role to set the agenda for the coaching and your role to respond to this. If you feel that the agenda poses difficulties for you tell them how you feel and discuss what alternatives are possible.
- Work together with the person you are coaching on an equal footing. You may be coaching a junior member of staff or a senior executive. You may be getting double or half the salary of the person you are coaching. None of this is relevant when coaching, and the relationship should be based on the trust and respect that should underpin all colleague-to-colleague relationships.
- Appreciate that the individual is being coached by you because they want to improve on some aspect of their work. Your role is to support the individual by increasing their self-awareness of what options are available to them and what needs to be done to close the gap between where they are at present and where they want to be.

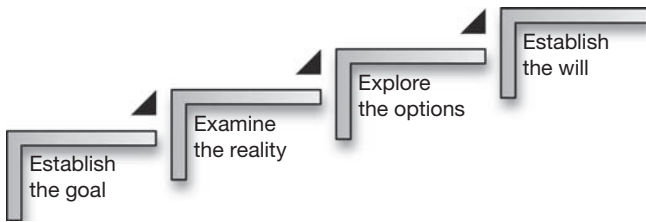
QUESTIONS TO ASK

- Have I created a high level of respect and trust in the relationship?
- Are we approaching the coaching on an equal footing?

THEORY 39 WHITMORE'S GROW MODEL

Use this when you want to help people to make better decisions and solve problems related to their career.

John Whitmore suggests that the GROW model is a simple but powerful way of structuring a coaching session. He likens it to thinking about planning a journey in which you decide where you are going (the **G**oal), establish where you are at present (the **R**eality), explore the various routes (the **O**ptions) and be committed to reaching your destination (the **W**ill to succeed). The model can be depicted as:



The various constituents of the model can be summarised as:

Establish the Goal: Look at the behaviour that the other person wants to change and express this in terms of a goal that they want to achieve.

Examine the current Reality: Encourage the individual to avoid trying to solve problems before considering where they are at present.

Explore the Options: After exploring the reality, turn the person's attention to determining what is possible.

Establish the Will: Now that the options are clear get the individual to commit to specific actions in order to move forward towards achieving their goal.

Whitmore stresses the importance of the coach not considering themselves to be an expert in the other person's predicament and not trying to solve their problems for them. He describes the ultimate role of the coach as being a facilitator who helps the person to select the best options.

HOW TO USE IT

The metaphor of organic growth is a good way of thinking about the model. The essence of good coaching, using this model, is asking good

questions. Here are some useful questions that you could ask your client in each stage:

- Make sure that their goal is specific, measurable, achievable, realistic and time-bound (see *Theory 97*) by asking them: 'How does this relate to their career objectives?' 'When will they know that they have achieved their goal?' 'How confident are they that they can achieve this objective?'
- Don't allow them to start coming up with solutions before they've even considered where they stand at present. Ask: 'What is happening to them now?' 'How do they feel about what is happening?' 'What have they been doing to date to address the issue?'
- Avoid coming up with the options. Remember these may be your options as to how you would tackle the situation. You should however get the individual to consider the viability of each option by asking: 'What are the possible repercussions of adopting this option?' 'What could they do if something goes wrong?'
- Having explored the options, you now need to get the individual to commit to specific courses of action by asking 'What will they do next?' 'When will they do it by?' 'How will they know that it's been done?'

Notice that all of the questions asked are open questions. Make sure that when the person you are coaching responds to your question you listen in an attentive and non-judgemental manner. In this respect your body language may be more important than what you actually say.

QUESTIONS TO ASK

- Have I made absolutely sure that the individual appreciates their present situation before embarking on any developments?
- Have we explored all of the options and have I got them to commit to action?

A FINAL WORD ON COACHING THEORIES

WHY LANDSBERG'S THEORY WAS CROWNED KING

Choosing which theory to crown as King wasn't easy, but I went with Landsberg's *Tao of Coaching* because with some books you get excited by the title only to be disappointed by the contents. This isn't the case with *The Tao of Coaching*. The book mixes some interesting theory and models with the story of an individual's experiences as a coach.

Although the entries in this section offer different perspectives on the subject, there are some common themes to emerge. These are to:

- Discuss what expectations you and the person being coached have of each other. Agree the ground rules and boundaries for the coaching relationship. Get them to have a vision about what they could be and set goals that will help them to achieve this vision. Make sure these goals are *SMART* (specific, measurable, achievable, realistic and time bound) (see *Theory 97*).
- Choose the most appropriate method for coaching an individual/group. This may involve directing them, showing them what to do, suggesting ways they can do it or stimulating them to do it themselves. Whatever method you choose, see it through with conviction and commitment. Don't think that confirming that expectations are being met is something you do at the end of the coaching session; it should be done frequently throughout a session. Elicit feedback not just on the outcome but on the process undertaken and be prepared to make changes if necessary.
- Accept that bad things happen. This might be lacking the resources to support a client, having to deal with conflict or finding that there is opposition to your ideas or methods. It's how you deal with these incidents that will define you as a person as well as a coach.
- Encourage the person you are coaching to be willing to think outside of the box. Great ideas or learning experiences rarely happen as a result of people doing the same thing over and over again. Coaching people to be competent is okay but, supporting them to be creative is where the real value lies. Convince the person you are coaching that if they fail at a task, it doesn't mean that you or the individual is a failure; it simply means that they have failed the task. Get them to analyse why they failed the task and what they can do differently the next time.

Make sure that if they fail the task again they do it better than the time before. If the failure is down to your coaching then it's up to you to analyse what you can do differently.

- Build a relationship that is based on respect and trust. If you have this relationship, you can challenge someone, set difficult tasks or ask provocative questions, both secure in the knowledge that this is being done with good intent.

SECTION 5

HOW TO BUILD AND MANAGE TEAMS

INTRODUCTION

In order for people to find a reason to work as a member of a team, they need a common purpose and a sense of identity. Put a group of people in a lift together and they think and act as individuals. Create a crisis situation such as a breakdown or fire in the lift shaft and the need for survival becomes the common purpose. Instinctively each person assumes a role that they think will help the group survive, for example tactician, comforter, problem solver etc.

In this part, I examine the roles that people play within teams and the factors that may affect their capacity to perform effectively. The role that managers play in promoting effective team-working is also considered.

The British management guru Charles Handy tells a good story of how, when addressing a group of undergraduates, he once described ineffective teams as being like a rowing crew with eight people going backwards without talking to one another, being guided by someone who is too small to see where they were going. He admitted that he got a bit of flak from a rower in the audience who argued that, on the contrary, they were a good example of the perfect team; as they would not have the confidence to pull on the oar so strongly without talking or seeing if they didn't have complete trust in each other and in the person steering the boat. I like Handy, but in this instance I think the rowers beat him by a canvas.

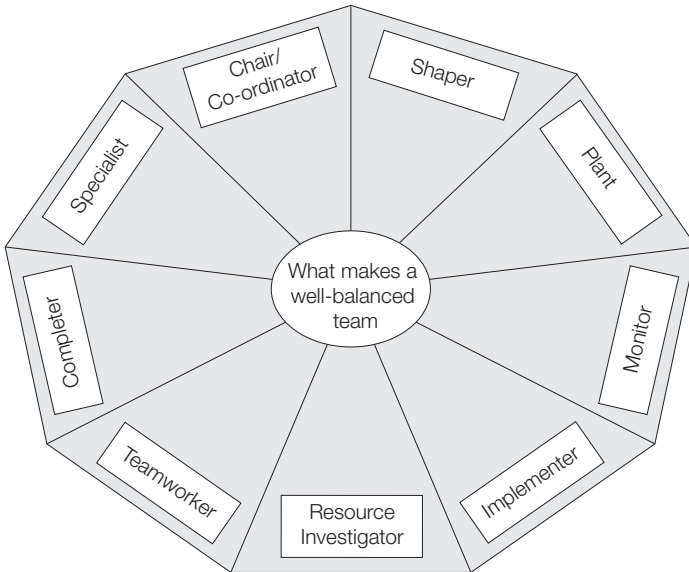
I'll leave it to the American car magnate Henry Ford to sum up what this section is all about. He described team formation as 'Coming together is a beginning; keeping together is a process; working together is success'.

THEORY 40

BELBIN'S TEAM ROLES

Use as a checklist, every time you form a new team, to confirm that you have the right mix of people for the job.

For any team to be successful, Meredith Belbin argues that the following roles must be undertaken by nominated members of the team:



Source: Team roles and descriptions adapted courtesy of Belbin Associates.

- **Chair/Co-ordinator** sets the agenda, is calm and confident and responsible for getting the balance of the team right.
- **Shaper** aims to influence the team's decisions; is extrovert and willing to be unpopular if the job requires it.
- **Plant/innovator** generates ideas and develops innovative ways to solve problems.
- **Monitor/evaluator** is analytical, dispassionate and objective, but may upset team mates with criticisms.
- **Implementer** works hard to turn ideas into action; may annoy team mates because of their reluctance to compromise.
- **Resource investigators** are often crafty and personable; they find the resources required and suss out what the opposition is up to.
- **Teamworker** is sociable and conscientious; brings the team together and helps sort out any of the team's inter-personal and professional issues.

- **Completer/finisher** is determined and committed but can be seen as too keen to get the job done at any cost.
- **Specialist** provides technical expertise in key areas; may annoy others because they focus too narrowly on their specialist area.

HOW TO USE IT

- Start with the end in mind (*see Theory 6*) and identify the team's aims and objectives, the resources available and the deadlines you must meet.
- Identify who supports/opposes the project (*see Theory 60*). This information is vital. During any project problems will arise and you need to know who you can trust.
- Make sure that the recruits to your team can cover all of the functions listed on the facing page – even if that means some people covering two or more functions.
- Use a combination of personal interviews and Belbin's team roles questionnaire (available online) to identify each person's role/s.
- Brief each person on what you expect of them. Then monitor progress, identify problems and implement remedies. If you're not the problem (and managers often are) consider the following:
 - A lack of clarity about the team's objectives. What's your Shaper doing?
 - Underperformance by the team. How good is your Completer?
 - An inability to overcome problems. What's your Plant doing?
 - Poor analysis of problems. Does your Monitor need a wake-up call?
 - Difficulties in turning ideas into practical solutions. What's your Implementer up to?
 - Lack of resources. Do you need to replace your Resource Investigator with someone who can duck and dive.
 - A lack of harmony and commitment to the team's objectives. Has the Teamworker upset the team?
 - An inability to finish tasks. Has your Completer become bored with the project?
 - Lack of specialist knowledge. Does your Specialist have the right expertise for the project?

Once you have identified the problem deal with it decisively.

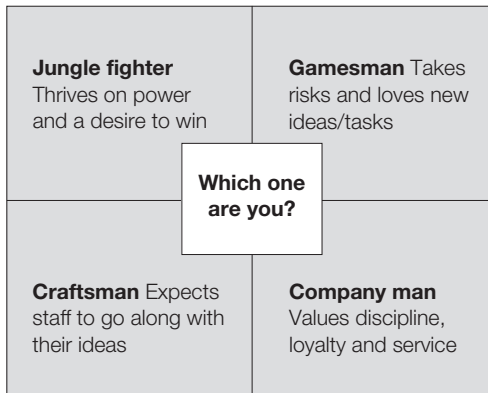
QUESTIONS TO ASK

- Do I have the right mix of people in the team?
- How will I monitor progress? What are my milestones?

THEORY 41 MACCOBY'S GAMESMAN THEORY

Use to identify the type of leader your team needs.

Michael Maccoby concentrated on the role and responsibilities of the team manager. He identified four character types that can be found acting as team manager:



- **Craftsman:** Leads by issuing commands and expects staff to follow orders. Individualistic, they can be inventive, self-contained, resolute and sincere but also obstinate and suspicious.
- **Jungle fighter:** Tough, bold and competitive. They thrive on power and the desire to win and will fight to protect the team. But they can also be ego-driven, paternalistic and authoritarian and upset team members with their aggressive attitude.
- **Company man:** A true team player who is loyal, hard working and eager to please. They thrive on creating an atmosphere of discipline and order but are too conservative to lead a team where innovative thinking or risk taking is required.
- **Gamesman:** A risk taker who is fascinated by new techniques and ideas and loves problem solving. They thrive on competition and generate enthusiasm within the team. But they can be detached, dispassionate and fail to inspire loyalty.

HOW TO USE IT

- Identify which stereotype you are. Be realistic when you make this call. Better still, ask others what characteristics you display. Don't use the terminology that Maccoby uses – that might scare people. Depending on the relationship you have with team members you can be blunt or subtle with your questioning. The important thing is to find out how you are perceived.
- Once you know what staff think of you take action to emphasise the positive aspects of your character and minimise the negative. Consider importing some of the virtues of the other characters. Of course some characteristics could be ingrained and you may find it difficult to change (see *Theory 11*). For example, a Company Man might struggle to lead a team where blue-sky innovative thinking is required. In this instance, delegate the role of leading on innovation to one of the other members of the team (see *Theory 40*).
- Recognise that different types of team leaders are required at different stages of the team's evolution. Craftsmen are essential in the beginning, making tools and weapons for protection. Jungle Fighters use the tools to conquer the environment and make it safe. Once the environment has been tamed, Company Men move in and start the socialisation process. As people become a cohesive unit Gamesmen move in and drive the survivors to higher levels of performance.

QUESTIONS TO ASK

- At what stage of development is the organisation/team?
- What type of leader does the team require? Can I provide that type of leadership? If not, whose help on the team can I enlist?

THEORY 42

LIKERT'S THEORY OF TEAM MANAGEMENT STYLES

Use this to understand the role, responsibilities and relationships that you have with your team.

Rensis Likert identified four styles to describe the role, responsibilities and relationships that managers have with their team. The four styles run from autocratic despot to a first-among-equals approach to management and have clear links with style leadership (see *Theories 12 and 13*).

LIKERT'S MANAGEMENT STYLES:

Exploitative–autocratic: The manager has little or no trust in team members and therefore decisions are imposed with minimal consultation. Communication is top down.

Benevolent–authoritative: The manager is condescending towards the team therefore team members are very reluctant to offer ideas or suggestions. Communication upwards is censored.

Consultative: The manager has significant but not complete confidence in the team. Although there is discussion on key issues there is little doubt as to who has the final say. Communication is mostly top down but there are signs of cautious bottom-up streams of communication.

Participative: The manager encourages free and open communication throughout the team. New ideas are welcomed. Rewards and punishments are not necessary as the team assumes full responsibility for getting things done. Everyone has absolute confidence in everyone else.

Likert's categories clearly run from a highly task-oriented team management style to a highly people-oriented management style.

HOW TO USE IT

- Identify which team management style you prefer. You could use Blake and Mouton's questionnaire to do this (see *Theory 13*).
- As circumstances change, analyse the situation and identify which management approach will be most effective in the new situation.

- Be prepared to vary your style of management depending on circumstances. If you need something done quickly and to a precise standard then an autocratic and authoritarian approach may be required. Once the panic is over you can focus more on the democratic, participative approach. It's all about balancing the needs of the individual, task and organisation, and recognising that these are constantly changing.
- Adopting the correct approach when under pressure is difficult to do. Rehearse different scenarios in your mind before you are faced by them in practice. Know how you will react, why you will react in that way, the impact that the change will have on your team and how you are going to deal with any fallout (see *Theory 70*).

QUESTIONS TO ASK

- What is my default style of management?
- Which style of management does my team respond to best?

THEORY 43

HOMANS' THEORY OF GROUP FORMATION

Use to identify the external factors which can disrupt/destroy your project.

George Homans argues that the interaction between the group and the environment in which it operates shapes both the behaviour of the group and the final outcome.

THE FIVE FACTORS IDENTIFIED WERE

Physical restraints that are imposed on the team which affect the performance of the task.

Cultural–personal beliefs and values that make up the shared understanding of the group.

Technological facilities and resources that are available to the team to help them achieve their task.

Organisation's policies and procedures that govern working practices and personal development of team members.

Socio-economic factors which flow from the impact that the wider political, economic, social and technological developments have on the team.

Homans argues that, influenced by the environment, the group goes through a series of behavioural stages. In the beginning, they act in a manner expected by the group leader (required or given behaviours) followed by a stage of doing things over and above what is expected (emergent behaviours), resulting ultimately in increased productivity and personal development.

HOW TO USE IT

- Recognise that you and your team do not operate in isolation. You are both affected by your organisation's culture (see *Section 6*) and wider societal influences.
- Use SWOT and PEST analyses (see *Theory 67*) to identify the variables that might impact on your project and in conjunction with the team decide how you will deal with all eventualities identified.

- Remove any physical restraints imposed on your team as this will affect its performance. If accommodation is cramped, over-crowded and separated geographically from the site of the action your team will naturally assume that the organisation thinks that their work is unimportant (see *Theories 23 and 26*).
- Instil in the team a common set of values and beliefs about how the team will operate, deal with the task in hand and recognise what a successful outcome will look like.
- Train every member of your team to maximise the use of the tools available to them. Too often individuals are unaware of what resources are available or how to fully exploit them.
- Teams working outside the normal organisation structure can be hamstrung by the bureaucracy that governs everyday organisational life. Agree with management to what extent you can opt out of normal controls.

QUESTIONS TO ASK

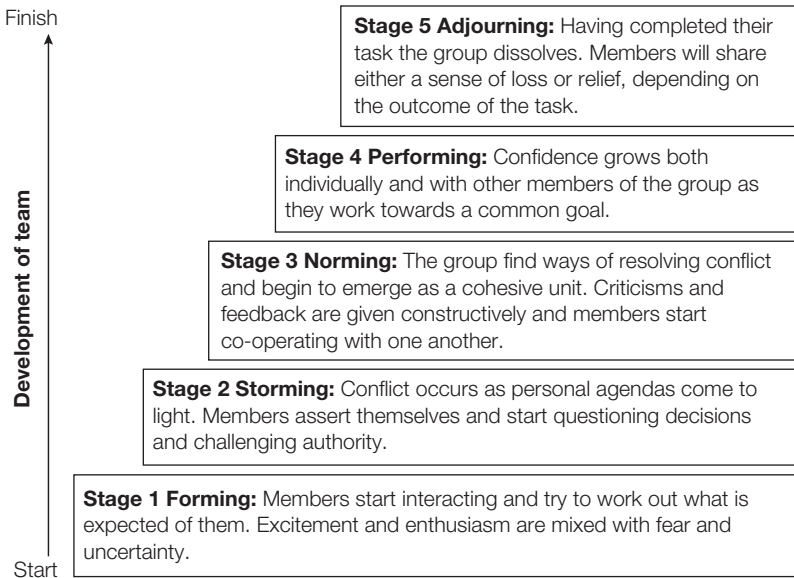
- Am I too focused on what is going on within the organisation?
- Do I need to discuss the wider implications of the project with someone outside the team?

THEORY 44

TUCKMAN'S GROUP DEVELOPMENT SEQUENCE MODEL (CROWN AS KING)

Use this to identify the stages of development that your team pass through and amend your management style accordingly.

Bruce Tuckman first presented his Forming, Storming, Norming, Performing (FSNP) model in 1965 and, with Mary Jensen, added a fifth stage (Adjourning) in 1977. The model describes the phases which teams go through from initial formation to completion of the task.



HOW TO USE IT

- Provide guidance from the moment the team starts to form. Make clear the team's purpose, aims and objectives and what contribution you expect from each person. Negotiate and agree working ground rules and listen to any concerns that members have and address them.
- During the storming phase be prepared to deal with any challenges to your authority or inter-team squabbles. How you deal with these

will set the tone for the behaviours you can expect people to exhibit throughout the operational life of the team. Acting passively or aggressively may not be in the team's best interest. Go for a win/win solution whenever possible.

- As the team matures and enters the norming phase your role changes to one of supporter. By this stage the team will have developed its own ways of dealing with conflict and created enough trust between team members to accept constructive criticism without coming to blows. So, sit back and let the team resolve its own problems.
- Once the group start performing as a cohesive team don't be afraid to adopt a watching brief. Let the team get on with it. If you've trained them right they will only approach you if they need help.
- Once the task is complete, celebrate the team's success and acknowledge everyone's contribution.

QUESTIONS TO ASK

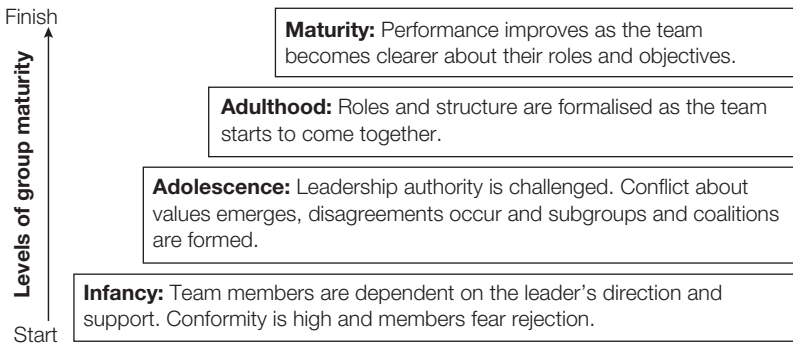
- Do I have the self-discipline to increasingly take a back seat as the team matures?
- How will I know if I am stifling the team's growth? What signs will I look for?

THEORY 45

WHEELAN'S INTEGRATED MODEL OF GROUP DEVELOPMENT

Use this, to deepen your understanding of the developmental stages that groups go through.

Susan Wheelan built on Tuckman's model (see *Theory 44*) and suggested that groups achieve maturity simply through the process of working together. She claims that there is a significant relationship between the length of time that a group has been together and their behavioural patterns. She describes these relationships using a four-stage model based on a life-growth cycle.



To accompany the model, Wheelan developed a Group Development Observation System (GDOS), which assesses each member's perception of what stage they think the team is at. Using this information managers can change their management style to match the team's developmental stage and meet its needs.

HOW TO USE IT

- Use the Group Development Observation System (GDOS) (available online) to assess each member's perception of what stage they think the team is at.
- In phase one (infancy) look out for team members who display the characteristics shown in infancy such as dependency, immaturity and a need to be wanted. Invest time and effort with these people. Explain

what you want, answer questions, provide support and model the behaviour you expect from them.

- In phase two (adolescence) you can expect conflicts about values, challenges to your authority, disagreements and fights to break out. Remain calm and remember that it's not personal (*see Theories 31 and 92*). Provide both opportunities and time for staff to talk to you and each other. Use these conversations to emphasise the shared values that you expect the team to exhibit.
- In phase three back off as the team enters young adulthood. If you want the team to reach full maturity, you must resist becoming too involved with the team's decision making. Act as a facilitator not a director and let the team sort out its own mistakes.
- Phase four (maturity) is where your team have the confidence and belief to tackle even the most challenging tasks alone. Allow them space, don't interfere, but keep a familial eye on them and celebrate their achievements. They may have cut the apron strings but (hopefully) they will still respect you and value your advice, praise and appreciation.

QUESTIONS TO ASK

- Do I have the ability to support my team members through each phase?
- Is there someone outside the team who I can talk to in confidence to help me with this?

THEORY 46 LOCKE'S GOAL SETTING THEORY

Use when you want to motivate, monitor and control staff by using targets.

Edwin Locke claimed that there was a relationship between how difficult and specific a goal was and how well a team performed.



The five principles that underpin successful goal setting:

- **Clarity:** When a goal is clear and specific, there is less misunderstanding within the team about who is expected to do what, to what standard and within what timeframe.
- **Challenge:** Teams are motivated by challenge and achievement. A 'good' goal is one which is difficult but doable and which team members believe will give them great satisfaction when achieved.
- **Commitment:** Teams are more likely to 'buy into' a goal if they feel they were part of creating the goal.
- **Feedback:** Teams react positively to action by the leader that clarifies expectations, adjusts goals and acknowledges achievement.
- **Task complexity:** Teams may get excited by working on challenging tasks but they may also get overwhelmed if the task is too complex.

Locke asserts that the underlying purpose of goal setting is to facilitate success. If managers fail to make targets clear and specific they will frustrate and inhibit staff from achieving their objectives.

HOW TO USE IT

- Recognise that if your team isn't operating as effectively as it should the problem may lie with you. Did you set specific, measurable, achievable, realistic and time-limited goals (SMART targets – see *Theory 97*)? If not, redraw them. Ensure that each goal is both challenging and realistic. Aim too high and you'll demotivate your team. Aim too low and the team will become bored and disinterested.
- Once you have set SMART targets ask staff to set their own individual targets. Have them use the SMART approach and make sure that their targets are compatible with the team's goals. By doing this, you keep everyone motivated and committed to an integrated set of personal and team goals.
- Provide regular feedback to both individuals and the team but don't go overboard. You don't need daily team meetings or meetings to agree agendas for meetings etc. Instead, provide feedback as and when you come into daily contact with people and hold short, snappy meetings to discuss and record progress.
- For complex tasks take special care to ensure that you don't overwhelm the team. Those team members who are used to working on complex tasks may be straining to strut their stuff. But less experienced staff may feel under severe pressure to perform. Keep an eye on them and talk to them regularly.

QUESTIONS TO ASK

- Have I set SMART targets for the team and each person in it?
- Do my meetings help the team achieve its targets or slow it down?

A FINAL WORD ON TEAM THEORIES

WHY TUCKMAN WAS CROWNED KING

This was a real toughie. The choice lay between Belbin and Tuckman with Wheelan a very close third. I've used Belbin extensively in the past but opted for Tuckman because he emphasises the actions you need to take to forge a group of individuals into a great team. His process is simple but brilliant. You need to get them:

- together;
- talking;
- thinking along the same lines;
- resolving conflicts; and
- taking responsibility for their own work/performance.

When choosing team members, it's not only essential to have people with the skills Belbin identified but also people who can complement your strengths and compensate for your weaknesses.

Once you have your team, spend time clarifying your aims and objectives. Whatever your aim is you can only 'build it' if you have a clear picture of what 'it' will look like when complete. Don't go off half-cocked. Be certain about where you want to go before you take a single step. Only then should you brief each person individually on their roles and responsibilities. Then brief the entire team on who is responsible for what. This will clarify roles and responsibilities, eliminate confusion and enable the team to hold its own members to account.

As the team starts to work and develop its own personality be aware that you may need to change your management style. Part of any maturation process involves learning to deal with your own problems. At some stage, you must give the group the freedom to deal with its own conflicts. You may be tempted to intervene but if you do you'll stunt team growth.

SECTION 6

HOW TO
ANALYSE
ORGANISATIONAL
CULTURE

INTRODUCTION

The aim of this section is to help you identify the culture that exists in your organisation. The entries give advice on how to use the theories with your staff but their main purpose is to help you identify and understand the culture you work in. This is vital. If you are at odds with your organisation's culture, you will find it a very uncomfortable environment to work in.

But what is organisational culture? I once asked a group of staff from a major car manufacturer that very question. Their answers ranged from 'religious beliefs' through to 'the thing that grows in the bottom of your cup if you don't wash it on a Friday night'.

I had been looking for a response along the lines of the principles, ideologies, policies and practices shared by all within an organisation. Diplomatically, I acknowledged each contribution with comments such as 'values and beliefs certainly impact on culture' and 'just like the blobby bits in your unwashed cup, culture is an organic process in which the end product can have both a harmful or healing effect'.

The entries in this section range from the pragmatic to the wildly metaphorical. What they have in common is that they give you different and interesting ways to analyse and think about your organisation's culture. What is it? How was it established? How is it maintained? What influence does it exert over the people in the organisation?

Although organisational cultures do vary widely from one institution to the next, similarities also exist. Most organisational cultures can be categorised as something that an organisation *is* (the image people have of how the organisation goes about its business) or something that an organisation *has* (its fundamental values and beliefs).

Read the following and use those ideas that appeal to you and which you can see yourself using in the workplace. All I ask is that you don't rely on just one or two theories. Organisational culture is multifaceted and you need to look at it from several angles if you hope to get a clear picture of the environment you are operating in.

THEORY 47

HANDY'S MODEL OF ORGANISATIONAL CULTURE (CROWN AS KING)

Use Handy's organisational culture questionnaire when you want to get a quick overview of your culture and how you feel about it.

Charles Handy suggests that all organisational cultures comprise four different sub-cultures. It is the precise mix/influence of these sub-cultures that produce the organisation's unique culture. The sub-cultures are:

<p>Club (or power)</p> <p>A spider's web portrays this culture. The spider is all powerful and if they move the web shakes and everyone jumps. In club cultures, power resides with one person or a small elite.</p>	<p>Role (or bureaucratic)</p> <p>A Greek temple describes this culture. Each pillar of the temple represents a key function/department. The organisation's structure is hierarchical and staff are expected to work to their job description and follow laid-down rules and procedures.</p>
<p>Task (or team)</p> <p>A net represents this culture. Teamwork is extensively used to resolve problems. On completion of the task the team is disbanded.</p>	<p>Existential (or individual)</p> <p>Stars in the firmament portray this culture. It's based on individuals whose allegiance to the organisation is overridden by their own individual needs. Barristers' chambers typify this type of culture.</p>

Although elements of all four cultures will be present in every organisation's culture it is likely that one will dominate the others.

HOW TO USE IT

- Use Handy's questionnaire from the *Gods of Management* (available online) to identify your organisation's culture and any mismatch between it and the type of culture you would like to work in.
- If you are happy to work in the culture then identify a successful manager within your organisation. Analyse how they behave, and model your behaviours on what they do.
- In a club culture your authority, power and credibility will depend upon your relationship with the central power source, be that an individual or group. To succeed you have to become a member of the 'in-group' (see *Theory 20*) and do things in a way it approves of.
- In a role culture the expert who understands the organisation's rules and procedures has tremendous power and influence. Therefore, no matter how boring it is, study the organisation's rules, regulations and procedures and know how to use them to your benefit.
- Task cultures offer young managers the opportunity to shine. Volunteer to chair any team that reports to the senior management. If you're a senior manager use the establishment of teams as a way of developing and rewarding your own staff (see *Section 5*).
- In every organisation there are a few people who believe that the organisation exists for their benefit. Having one or two of these eccentrics around can be useful as they often think outside the box. However, as manager you need to harness their abilities while controlling their excesses.

QUESTIONS TO ASK

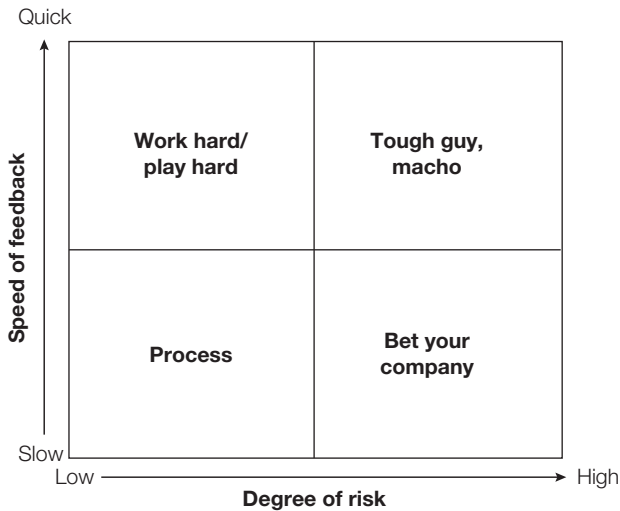
- What is the organisation's dominant culture?
- What are the implications of the organisation's culture for my management style?

THEORY 48

DEAL AND KENNEDY'S RISK AND FEEDBACK MODEL

Use to identify the level of risk and feedback that is culturally acceptable in your organisation.

Terrence Deal and Allan Kennedy suggest that the basis of organisational culture is determined by the degrees of risk and speed of feedback which govern how the organisation functions. They identified four distinct types of culture.



Source: Adapted from 'Risk & Feedback Model' from Deal, T. E. and Kennedy, A. A., *Corporate Cultures: Rites and Rituals of Corporate Life* (Penguin, 1988) Courtesy of Peters, Fraser & Dunlop.

Work hard/play hard: This is a culture that takes few risks because of issues such as health and safety but needs quick feedback in terms of customer satisfaction.

Tough guy, macho: Includes a world of individualists who regularly take high risks and get quick feedback on whether their actions are right or wrong.

Bet your company: In this culture people take high-risk decisions, but they may wait years before they know whether their actions actually paid off.

Process: This can also be described as a bureaucratic culture. It exists where risks are low and feedback is slow.

A well-aligned culture that responds positively to risk and feedback can propel an organisation to success.

HOW TO USE IT

- List a number of decisions that your organisation has taken in the last 12–18 months. Analyse these into low, medium and high risk. Then consider how quickly the organisation expects to receive feedback on the success or failure of each decision. This will give you the organisation's risk feedback profile.
- Consider what level of risk you are willing to take. This requires more than just a superficial appraisal. Think of any decisions that kept you awake at night. They are a good indicator of the level of risk/uncertainty you can cope with. Accept these as your benchmark and compare them to the organisation's profile. If you are too cautious or too adventurous for the organisation you should seriously consider packing your bags, unless you can change the organisation's culture (see *Theories 85 and 86*) to match your power to effect change to the risk profile.
- Provided any gap identified is bridgeable don't mess around. Work out where the differences are between how you act and the behaviour expected by the organisation. Then devise an action plan to close the gaps using the SMART targets (see *Theory 97*).
- In your everyday work and dealings with staff model the behaviour expected of managers by the organisation (see *Theories 11, 12 and 13*). If they want a task-focused, hungry young manager who is willing to take risks to get to the top, you have no choice but to give it to them. After all, that's what you signed up for.

QUESTIONS TO ASK

- What types of behaviour gets rewarded in my organisation?
- Am I comfortable with the level of risk that managers are expected to take? Is it too high or low for me?

THEORY 49

MORGAN'S ORGANISATIONAL METAPHORS

Use it to identify how you and your staff feel about the organisation's culture.

Morgan suggests that organisational cultures can be represented as a series of metaphors.

MORGAN'S EIGHT CULTURAL METAPHORS ARE:

Machine: Based upon efficient, standardised and controlled procedures with each unit operating like a cog in a wheel.

Organism: A living system with a life cycle of birth, maturity, death – a matter of survival of the fittest.

Brains: A learning environment involved with information processing with an emphasis on knowledge, intelligence and feedback.

Values: A value-based organisation with an emphasis on tradition, beliefs, history and a shared vision.

Political systems: A culture built on preservation of interests and rights with hidden agendas and alliances.

Psychic prisons: Represents the culture in terms of conscious and unconscious feelings of repression and regression.

Flux and transformation: Sees the culture as a whirlpool of change; sometimes beneficial but sometimes chaotic and paradoxical.

Instruments of domination: Represents a culture that is underpinned by aggression, compliance, exploitation and the imposition of values.

Morgan argues that metaphors create windows into the soul of the organisation and allow us to see, understand and imagine the organisation in different ways.

HOW TO USE IT

- Use Morgan's insights as a starting point for creating your own metaphors. Give staff a sheet of flip-chart paper and ask them to draw a picture of the organisation's culture. Emphasise that you want a picture not an organisation chart.
- In all likelihood you'll get a selection of trees, watering cans, computers and maybe the odd castle under siege. Some of the more interesting ones may include scenes from an inter-galactic war or a teddy bear with fangs and claws (yes, I've had these). Such pictures provide a great insight into how staff perceive the organisation.
- Ask each person what their picture means. Listen to what they say. Identify where the problems lie; for example, the watering can might have a hole in it or maybe a blockage in the spout which prevents the water reaching its intended target. Deal with the issues in the metaphor first and then return to the real world and deal with the real issue. In this case it might mean that important information isn't reaching staff.
- If you're uncomfortable with ambiguity and emotion, metaphors may not be for you. If you are willing to risk it, try it out in a safe environment and see what staff come up with. I bet it will throw up many valuable insights into how they feel about the organisation.

QUESTIONS TO ASK

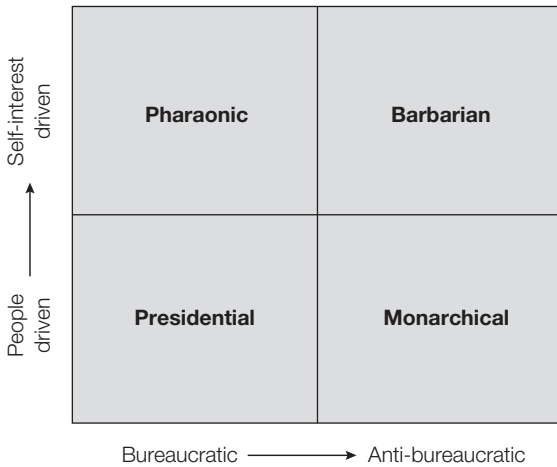
- Do I believe that everyone in my team shares the same image of the organisation as I do?
- What are the implications of my answer for how I treat staff?

THEORY 50

GRAVES' CULTURAL LEADERSHIP THEORY

Use to identify the dominant culture in your organisation.

Desmond Graves argues that organisational culture can be understood by looking at the character of the people who run the organisation. He identifies four possible cultures:



Source: Adapted from Graves, D., *Corporate Culture: Diagnosis and Change: Auditing and Changing the Culture of Organizations* (Palgrave Macmillan, 1986).

Pharaonic cultures are dominated by individuals. They are bureaucratic and ego-driven. Cultural leadership is maintained through a passionate respect for status, rituals and order.

Barbarian cultures are dominated by a sense of foreboding. They are ego-driven and anti-bureaucratic. Cultural leadership is maintained through a mixture of uncertainty, terror and charm.

Presidential cultures are bureaucratic and concerned with democracy, status and coordination. Cultural leadership is maintained through consideration of needs and aspirations of the people.

Monarchical cultures are anti-bureaucratic and dominated by a belief in the absolute authority of the leader. Cultural leadership is maintained through the unquestionable loyalty of followers.

In offering these stereotypes, Graves suggests that symbolic leadership is one way of encouraging people that they are working for something worthwhile.

HOW TO USE IT

- As with the discussions on Handy (*see Theory 47*) and Deal and Kennedy (*see Theory 48*) you'll have to identify the culture that is dominant in your organisation and decide if you are happy to remain working there. Use personal reflections to do this.
- Use both personality tests and job interviews to recruit people who can prosper in your organisation's culture.
- If your team or organisation is new, it may have assumed the characteristic of a barbarian culture; one which leans towards a dog-eat-dog approach. This culture is more suited to winning business rather than retaining it. Sooner or later, you will need to modify the culture in order to create stability and structure.
- A Pharaonic culture might favour creativity and imagination but not the emancipation of its workforce. It is one where position and following the correct procedures are likely to be valued. In times of rapid change you will need to adopt a new approach.
- Presidential cultures are less ego-driven than the Barbarian and Pharaonic cultures but status, cooperation and a desire to take into account the needs of the staff can make it slow moving and cumbersome. In a time of crisis you will have to adopt a more directive approach.
- Monarchical cultures are epitomised by loyalty to the ruler. In many organisations this is the founder. But as the organisation grows it will become impossible for one person to run the show and they will have to share power with others.

QUESTIONS TO ASK

- Does the existing culture serve the needs of the organisation?
- If the culture is inappropriate what changes can I make?

THEORY 51

SCHEIN'S THREE LEVELS OF ORGANISATIONAL CULTURE

Use to understand the role that values and beliefs play in your organisation.

Edgar Schein is generally seen as the foremost thinker on organisational cultures. He claims that the organisational culture is determined by a set of basic beliefs that the organisation has about itself. These beliefs, consciously or subconsciously, define what the organisation is and how it copes with the problems of external competition and internal integration. He argues that the organisation's culture grows out of the legacy of others.



Surface manifestations: These are the artefacts, rituals, myths and legends that send out a message to all concerned about what makes the organisation tick.

Espoused values: These provide a common direction for all employees and a guideline for what is acceptable behaviour.

Basic assumptions: These are the invisible, subconscious and often taken-for-granted understandings held by all employees about the organisation.

Schein's theory suggests that organisations are socially constructed realities that are as much in the minds of staff as they are in the organisation's concrete structures and rules. Therefore to understand the organisation's culture you must understand how the staff see the organisation.

HOW TO USE IT

- In order to understand your organisation's culture, you have to play detective and seek out a range of cultural clues.
- To identify the surface manifestations ask yourself questions such as: Are workplaces neat and tidy? Do people work in an informal open plan office and wander around talking to each other or do they work in their own offices behind closed doors and communicate through emails? Are meetings lively with animated debates on new ideas or do they follow a strict agenda devised and delivered by those in authority?
- To identify the organisation's espoused values and basic assumptions, which are buried in people's minds, you will need to talk with them. Workshops are great for this but you need to guarantee confidentiality so that people will feel safe from possible recrimination if they express views that might be unpopular with those in authority. One-to-one interviews may be more suitable provided staff don't feel intimidated by you. You might even think about using a focus group.
- Once you have collected your data, analyse it and use your findings to describe and understand the organisation's culture and identify acceptable and unacceptable behaviours and approaches to management and leadership.

QUESTIONS TO ASK

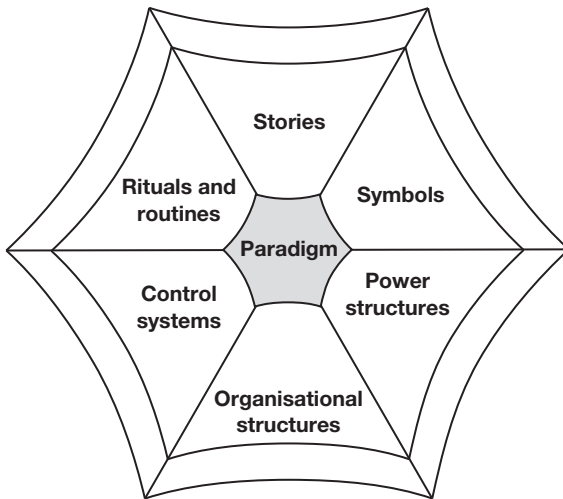
- What data do I need to collect to make a judgement about the organisation's culture?
- What am I going to do with the information produced?

THEORY 52

JOHNSON AND SCHOLES'
CULTURAL WEB

Use this to understand what constitutes appropriate or inappropriate behaviour within your organisation.

Gerry Johnson and Kevan Scholes' cultural web model depicts the culture of an organisation using seven interlinked elements. These elements form a set of behaviours that identify what are considered appropriate or inappropriate behaviour in the organisation.



Source: Adapted from Johnson, G., Whittington, R. and Scholes, K., *Exploring Strategy: Text and Cases* (9th edn) (Pearson Education, 2011).

The paradigm is the set of assumptions about the organisation which are taken for granted and shared by everyone.

Rituals and routines describe 'how we do things around here' and how members of the organisation behave towards each other.

Stories are told by members of the organisation to each other, to outsiders, to new recruits etc., and embed the present in the organisation's history.

Symbols are things such as logos, jargon and image that have become a shorthand representation describing the nature of the organisation.

Power structures relate to the real movers and shakers in the organisation. They may be specific individuals, small groups or departments.

Control systems include performance management and reward systems that emphasise what is important in the organisation and focus attention on specific activities.

Structures (organisational and power) relate to management hierarchies, reporting systems and decision-making processes.

HOW TO USE IT

- Use the questions below to review each element of the organisation's cultural web and identify any changes required (see *Section 7*).
- What cultural paradigm does the organisation operate in? How much of the organisation's culture is linked to the past? How uniform is it? How long has it been like this? Do I and other managers in the organisation attempt to align the organisation's strategy and culture? Or does the organisational culture 'dictate' strategy rather than management?
- What rituals do I and others unconsciously follow? What aspects of the way I operate do I take for granted? Do I, or my colleagues, need to change the way we operate?
- What stories or messages does the organisation tell staff, customers and suppliers? What impression do they create? Ratners, the most successful jeweller in Britain at the time, collapsed overnight when the chairman Gerald Ratner was filmed saying that the reason he could sell a 'gold' necklace for £3.99 was because it was crap. He meant it as a joke, but it revealed what the organisation thought of its customers.
- What messages do the organisation's symbols such as logos, publicity material, website and press releases give out about the organisation?
- How do the power bases within the organisation impact on my capacity to function effectively? (see *Theories 60 and 86*).
- Use the above information when dealing with staff, colleagues and senior management to answer their questions in culturally acceptable terms. You will also know when, where and how to lob a cultural hand grenade into the mix when it's required and is to your benefit.

QUESTIONS TO ASK

- What are the great unwritten rules of my organisation?
- In whose interest is it to maintain the current organisational culture?

THEORY 53

HOFSTEDE'S SIX CROSS-ORGANISATIONAL DIMENSIONS

Use as a checklist when you are engaged in changing organisational culture.

Geert Hofstede suggests that there are six dimensions which can be used to describe the organisation's culture. He poses these as a series of opposites and asks the user to plot where their organisation is on each of the six continuums.

HOFSTEDE'S SIX DIMENSIONS ARE:

Process vs Result: Process-oriented cultures are low risk and low effort. Results-oriented cultures welcome change and challenge and are high effort.

Person vs Job: A person-driven culture places employee welfare at the heart of the organisation. A job-driven culture emphasises completion of tasks over regard for the staff.

Parochial vs Professional: Staff working in a parochial culture display the same characteristics at work as they do at home. Those in a professional culture differentiate how they act at home and work.

Open systems vs Closed systems: Open cultures welcome newcomers and outsiders. New people joining closed cultures struggle to gain acceptance.

Loose vs Tight control: In a loose control culture, working practices are flexible and things such as dress codes and timekeeping are relaxed. Tight control cultures allow very little leeway on issues such as working place practices and behaviour.

Normative vs Pragmatic: In a normative culture there is strict adherence to rules, regulations and procedures. A pragmatic culture allows flexibility in following procedures if it means customer needs can be met.

HOW TO USE IT

- If you decide to move from a process-driven to a results-driven culture, don't overwhelm people with too many challenges. If your change is in the opposite direction ensure that high performers don't get bored by a lack of challenge.
- Sensitivity may be required if employees, who have been used to an employee-oriented culture, are asked to be more job-focused. But don't mollycoddle those moving in the opposite direction as they may find such treatment uncomfortable.
- Some people with well-organised home lives may bring those disciplines to work. Their parochial way of doing things might be better than what you've got and forcing a professional approach on them may be counter-productive.
- Look out for the people used to working in a closed system culture. In extreme circumstances, they may think that they are the 'chosen ones'. They will be suspicious of people moving into their domain and if they are moving into an open culture they may be overwhelmed and a bit suspicious of the welcoming nature of their new colleagues.
- People used to informality in dress code and general behaviour may find it difficult to accept a more formal environment. The same is true of those moving in the opposite direction. Give both groups time to adjust.
- People moving from a pragmatic to a normative culture and vice versa will need to come to terms with the differences in expectations regarding following rules and procedures. Make it absolutely clear what these are and what's expected of staff.

QUESTIONS TO ASK

- Why do I want to change the organisation's culture?
- What are the benefits of changing the culture?

THEORY 54

HARGREAVES AND BALKANISED CULTURES

Use to strengthen team spirit in your organisation.

Hargreaves, writing in the context of education, noticed that whereas a school or college would have a single over-riding culture, many individual departments had very distinct cultures. For example, the culture in Arts and Humanities was very different to that which existed in Science or Engineering faculties. He likened this to the Balkans where, to an outsider, there can appear to be a fairly uniform culture shared by numerous states but when examined closely each state has a very distinct culture.

THE FIVE KEY FEATURES OF BALKANISED CULTURES ARE:

Each division, department or team (sub-group) sees itself as a separate entity from the rest of the organisation.

Over time each sub-group develops its own unique culture.

There is 'low permeability' between the cultures of different groups. With each group erecting walls to keep out the influences of others.

Once these barriers have been erected it's difficult to breach or remove them.

Over time people become attached to the identity of their sub-group and develop a set of self-interests that they actively promote even when they conflict with the good of the whole organisation.

Although focused on education, the model is clearly applicable to any large-scale organisation. For instance, just look at the very different cultures that exist within the accounts and sales departments of any organisation.

HOW TO USE IT

- Use this as a theory to strengthen the team spirit within your group. Start by talking up the differences between you and other sub-groups in the organisation. Differentiate your team from the rest of the herd and encourage the development of traditions and practices that are unique to your team.
- Encourage your team to think of themselves as different, even special. Make your people feel proud to belong to the best team in the organisation and promote the idea that only the best get into your gang.
- Remember, everyone likes a bit of competition. Establish a friendly rivalry with other groups in the organisation and celebrate when you 'beat' them – even if the other group didn't know they were in a contest.
- Although you want your team to think of themselves as special, they must understand that it's no good if they win but the organisation loses. Their ultimate loyalty has to be to the organisation. Don't fall into the trap of sub-optimisation.
- Think about Balkanised cultures whenever you move jobs within your organisation. Take time to discover your new team's culture. Only when you understand it and have evaluated its strengths and weaknesses should you consider changing or destroying it.

QUESTIONS TO ASK

- What Balkanised cultures exist within the organisation?
- How can I use the idea of Balkanised cultures to improve my team's results?

A FINAL WORD ON ORGANISATIONAL CULTURE THEORIES

WHY HANDY WAS CROWNED AS KING

I chose Handy's ideas because, thanks to the questionnaire that he uses, you can obtain a quick overview of the organisational culture that you operate in and some measure of how well that culture suits you. No other theory gives you that much information for so little effort. The better you know yourself and your organisation, the more accurate the results will be. Even if you have only been working in the organisation for a short period of time, you can still get some useful information from the questionnaire.

Before you try to change your organisation's culture, ask for whose benefit you are doing it. Just because you don't like something doesn't mean it needs changing. Changing any organisation's culture is always a risk and not something to undertake on a whim. It's entirely possible that the organisation's culture does not need to be changed. Remember the story of the proud mum at her son's army passing-out parade exclaiming that everyone was out of step except her Jimmy. Well, maybe they were – maybe it is the others that need to change to match your preferred culture, but can you afford to be wrong? The old adage 'If it ain't broke don't fix it' may be relevant here but I prefer 'If you don't think it's broke, you may not be looking close enough'.

If you want your organisation to progress you need to identify the organisation's existing culture, what culture is required for the organisation to flourish in the future, and, if a change is required, how you are going to bring about the required change. Don't start tinkering until you have answers for all three questions.

Finally, remember that any medium-sized or larger organisation is likely to consist of several sub-cultures. Such a set-up can help build team spirit, but all sub-cultures must contribute to the welfare of the organisation not weaken it. Remember that to change the organisation's culture all you may need to do is change just one powerful sub-culture.

SECTION 7

HOW TO MANAGE CHANGE

INTRODUCTION

The question ‘How do you eat an elephant?’ is usually answered by the response ‘One bite at a time’. (Don’t write in complaining; I love elephants just as much as you do.) This was never truer than in the approach you need to take to deliver a successful change. Change is a long-drawn-out process that can’t be forced on people. Rush it and you’ll pay a hefty price.

All change evokes the emotions of fear and panic as well as of excitement and anticipation. Everyone perceives change differently. What is fresh and stimulating to one person is terrifying to the next. People also differ in their ability to face the unknown and deal with the uncertainty that change brings. I don’t think for one minute that this section will deal with all of the issues you’ll face as someone managing a change process. What it will do is give you a greater understanding of the problems that people have at different stages in the process and some useful ideas to help you manage people under stress.

The one message that overrides all others in this section is the need for good communication during periods of change. Good communication requires managers to spend more time listening to staff than talking at them. Unfortunately, like the Englishman abroad, too many managers think that if they speak S-L-O-W-L-Y and L-O-U-D-L-Y enough they will be understood.

THEORY 55 KÜBLER-ROSS'S CHANGE CYCLE

Use to track people's journey through any significant change and remember that until everyone has reached acceptance your job isn't done.

Elisabeth Kübler-Ross's five-stage change cycle was intended to help people deal with bereavement but has since been adapted to reflect the stages of any major change event including changes at work.



Denial: This is the initial stage of numbness and shock provoking a sense of disbelief. It can produce either a conscious or unconscious refusal to accept what is happening.

Anger: When acceptance of the reality of the situation takes place, denial turns to anger, either through self-recrimination or anger with others.

Bargaining: This is intended to either resolve the problem faced by the person or put off the inevitable.

Depression: This stage is reached if bargaining has failed and it is at this point that the reality of the situation sets in and emotions such as sadness, regret and loss are felt.

Acceptance: Dealing with sadness and regret is a necessary pre-requisite for acceptance. Acceptance is reached once the individual realises that the change is permanent.

Kübler-Ross warns that people don't move through the stages in a well-ordered sequential manner. They may stall at a particular stage or even regress to a previous stage. Such regression may be an essential part of the process before the ultimate state of acceptance is reached.

HOW TO USE IT

- Discuss the proposed change with staff as early as possible. This will give them a sense of ownership and control over events and build trust between you and them.
- Remember change may be exciting for you but for many it's terrifying. People fear the unknown and worry that they will lose status and won't be able to cope in the new world. To help staff overcome their fears provide support at every stage of the process by providing opportunities for staff to discuss their fears, options and opportunities with you or another supervisor.
- Remember, people move through the change cycle at different speeds. They may even get stuck at a particular stage or be thrown back to an earlier stage by events. Be on the lookout for such people and offer support and assistance.
- Communicate with staff every which way you can. Don't restrict communications to formal meetings. Use MBWA (see *Theory 7*) to find out what staff feel and think. Answer questions fully. If you don't know the answer say 'I'll get back to you within 24 hours'. Always deliver on your promises and don't try and bluff your way out of a problem. Staff don't trust managers who spread organic fertiliser for a living.
- Appoint change champions (see *Theory 59*) from frontline staff. They can respond to queries instantaneously, stop rumours and misinformation from spreading and act as a link between you and the front line.
- Allow staff opportunities to discuss their fears and concerns openly and provide all staff with training as early as possible. This will reduce the fear of the unknown and build confidence.

QUESTIONS TO ASK

- Who can I rely on for help and support?
- Who is likely to oppose me?

THEORY 56

JOHNSON'S THREE RULES
OF PROJECT MANAGEMENT

Use as the basis for the project team's reporting procedures.

Kelly Johnson famously devised 14 Rules and Practises for project work at the aircraft manufacturers Lockheed Martin. Many of these related to the working practices of the company, but contained within the list were three rules that have come to be seen as essential to the effective implementation of any change project in the public or private sectors.

JOHNSON'S THREE RULES OF PROJECT MANAGEMENT

Rule 1: The number of people employed on the project must be kept to the minimum. The more the people the more complex communication and control become.

Rule 2: Meetings must be kept to a minimum. Johnsons suggests a weekly team meeting to review progress and consider if any changes to the project are required and a monthly meeting between the project manager and project sponsors. Further meetings, he argued, were counterproductive and increased admin.

Rule 3: Only two regular reports should be produced. Weekly the project team should receive a report detailing progress to date against plan. Monthly, the sponsors should receive a copy of the most up to date progress report and a detailed project finance report. Any additional reports take up time which can be better spent working on the project.

HOW TO USE IT

- Keep your team small and manageable. This will aid communication and clarity of purpose within the group. In addition team spirit and group identity are established more quickly in small teams.
- Once the project is up and running and it looks like it's going to be a success you'll be amazed how many glory hunters want to jump on the bandwagon. Repel all boarders.
- Hold a single short progress meeting with the project team each Friday afternoon or Monday morning. Use the meeting to monitor progress against plan and to prioritise the next week's work.

- Learn to say '**NO**'. Every time you agree to a change in the programme of work you reduce your chances of meeting the deadline.
- At the weekly progress meeting reject all requests for changes or enhancements to the project unless they are absolutely essential. Record all rejected suggestions as issues to be dealt with in Phase Two of the project.
- At the end of the month table a budget/actual report at the team meeting and take corrective action required.
- At the end of each team meeting list the 'must achieve targets' for the following week using SMART Targets (*see Theory 97*).
- At the monthly sponsors meeting present the latest progress report and a finance report. The finance report should compare the spending to date against budget and provide details of committed, but not yet incurred, expenditure and a forecast of total cost to the end of the project.
- Other than providing your sponsors with the information they require your main task at these meetings will be to say '**NO**' to suggestions for how the project could be improved. Stick to your guns. Take on board and record all suggestions but make it clear that unless the suggestion can be shown to make achievement of the original aim easier/quicker it will have to wait until Phase Two (*see Theory 91*).
- Remember, if you say yes to changes and the project fails to meet its deadline it will be you who carries the can.

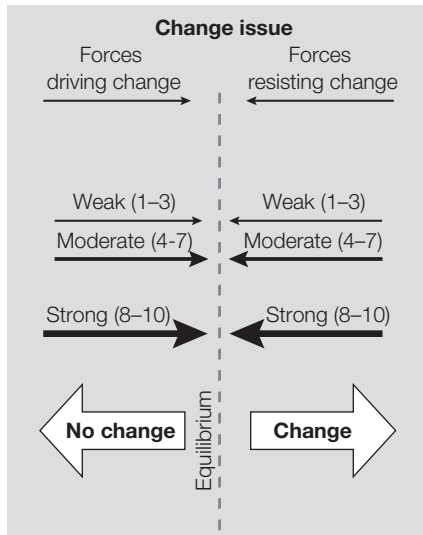
QUESTIONS TO ASK

- How assertive am I? Do I need to say NO more often?
- At sponsors' meetings who can I rely on for support?

THEORY 57 LEWIN'S FORCE FIELD ANALYSIS

Use prior knowledge of the issue to identify the forces in play that support or resist change and to develop a strategy for driving change forward.

On reading Kurt Lewin's work on force field analysis it can appear simplistic. It is only when you apply it that you can truly appreciate how profound his idea is. His analysis involves identifying two sets of factors, those which support change (drivers) and those that oppose it (resistors). By determining the strength of each factor it is possible to 'calculate' whether a change is likely to be successful or not.



Representing the strength by the thickness of the arrows or allocating a score to each will help with the analysis.

HOW TO USE IT

- Assemble a team of around four or five people to help you identify the drivers for change and the resistors to change (see *Section 5*).
- Don't be fazed if the same issue is considered by some as a driver and by others a resistor. This will be down to individual perspective.
- Take an A3 sheet of paper. Describe the change proposed and record this in a box – top centre of the sheet. From the bottom of the box draw a line down the middle of the page.
- List the drivers for change in the left-hand column and the resistors to change in the right-hand column. You might use a SWOT and/or PEST analysis for this (see *Theory 67*).
- Score each force. For example, assign a score of 1 (weak) to 10 (strong) to each force/resistor. For added visual effect draw horizontal arrows for each force/resistor towards the centre line (the bolder the arrow the greater the force).
- Clearly, the score allocated to each factor is subjective. That's why you should involve others. Debate the strength of each force/resistor and either agree a single score or take an average of the scores given by the team.
- Add up the scores on each side of the line. A quick glance should tell you whether change is a done deal (drivers far outweigh resistors), a dead duck (resistors far outweighing drivers) or a difficult decision (little to choose between the two).
- If it's a close call and you still want to go ahead with the change then develop a strategy that will enable you to strengthen the forces, weaken the resistors or both.

QUESTIONS TO ASK

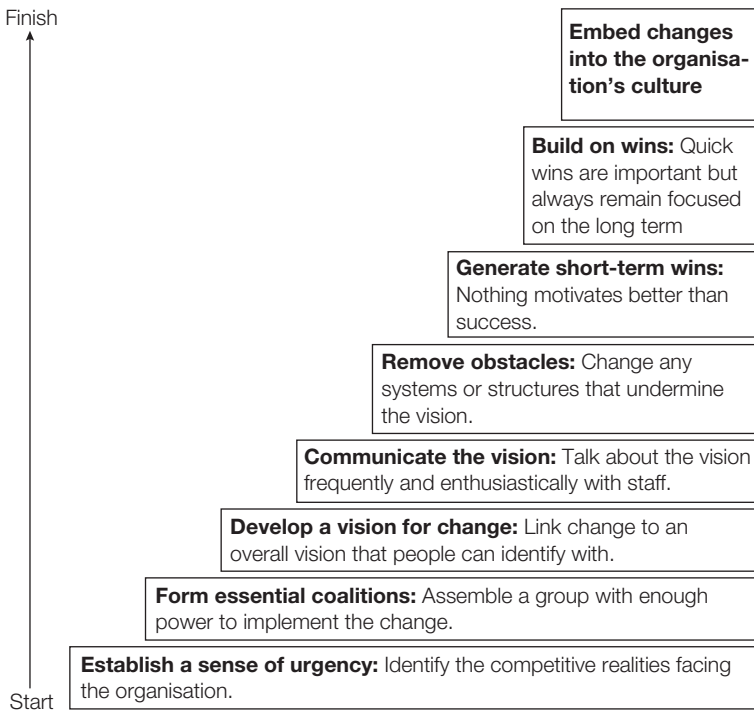
- Who can help me identify the driving and resisting forces?
- Have I selected both advocates and opponents of the change in the team?

THEORY 58

KOTTER'S EIGHT-STEP
APPROACH TO CHANGE

Use this to appreciate that building the proper foundations for change is essential. Don't go off half-cocked.

John Kotter argued that 70% of all major change programmes failed due to a lack of careful planning. He devised an eight-step process for dealing with this.



Kotter stresses that hard work, careful planning and building the proper foundations for change are essential to improve the chances of an effective change management programme.

HOW TO USE IT

- Talk to everyone affected by the change about the implications of failing to take advantage of opportunities or deal with threats faced by the organisation (see *Theories 60 and 67*).
- The support of senior management is essential to any change (see *Theory 60*). Identify who they are and get them onside.
- You will have to articulate your vision (see *Theories 17–19*) to a lot of people at different levels in the organisation. You must be able to express it in a single sentence. Remember, it's the vision not the detail you are selling.
- Don't be fazed if not everyone thinks the vision is for them. Address people's concerns and anxieties through good communication and training. Try everything you can to get them on board but if all of your efforts fail then you may have to exclude them from the process.
- Look for a few inexpensive, sure-fire quick wins. Reward people who help you get these wins but be careful of claiming successful change too early. To misquote Churchill, quick wins are not the beginning of the end but merely the end of the beginning.
- When you do succeed, celebrate the achievement and make sure that everyone's contribution is suitably recognised.

QUESTIONS TO ASK

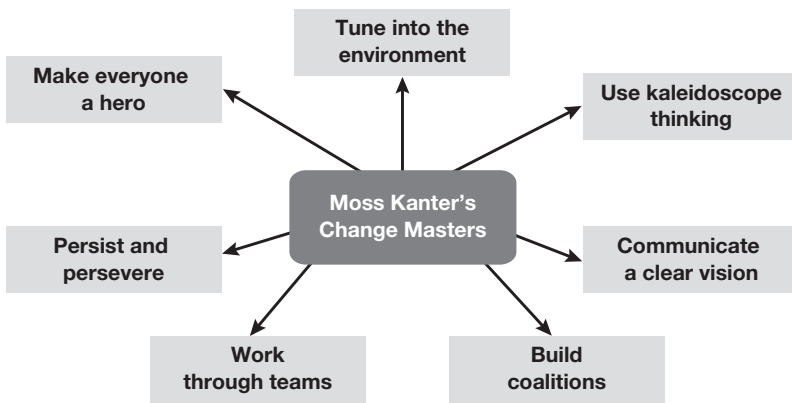
- Does my plan for change take into account all eight stages?
- How am I going to publicise quick wins?

THEORY 59

MOSS KANTER AND CHANGE MASTERS (CROWN AS QUEEN)

Use this to identify the abilities you need when managing change.

Rosabeth Moss Kanter is rightly regarded as one of the great innovators in change theory. She uses the term Change Masters to describe managers who are at the forefront of change within their organisations and suggests that they all share the same seven abilities.



Change masters:

- **tune into the environment** and identify new opportunities, threats and ideas before others;
- **use kaleidoscope thinking** and encourage staff to indulge in blue sky thinking;
- **communicate a clear vision** and inspire others to become excited by their vision;
- **build coalitions** and enlist the support of others;
- **work through teams** and get the commitment of everyone whose efforts are required to make the vision a reality;
- **persist and persevere** and are not discouraged by obstacles and problems;
- **make everyone a hero** by celebrating achievements and acknowledge all contributions that helped make the change work.

Moss Kanter argues that effective change masters should, firstly, focus on tasks where the emphasis is on results not procedures; secondly, organise people into teams with complete responsibility for their part of the end product; and, finally, create an atmosphere which emphasises the value of the people involved.

HOW TO USE IT

- Work with a small group of people to examine what new ideas, opportunities and threats face the organisation (see *Theories 67–70*). Encourage the team to indulge in blue sky thinking and challenge assumptions that hinder progress. Canvass other staff for their ideas about what needs to change. Make sure that all ideas are acknowledged.
- Identify what changes need to be made and put together your change plan (see *Theory 62*).
- Communicate a clear vision for change and use it to inspire others while building coalitions and enlisting the support of others (see *Theories 17–19, 60 and 65*).
- In a large project organise people into sub-teams and give them complete responsibility for their part of the job.
- If you have just one team, ensure that members own the project and don't expect you to be responsible for everything. They must take responsibility for their part of the project (see *Section 5*).
- At first, focus on tasks which produce concrete results not procedures. This will give the team something tangible to celebrate and undermine the doubters.
- Don't be discouraged by obstacles and problems. Managing the difficult middle section of any project is hard. The change is underway, when suddenly resources dry up, obstacles arise and critics crawl out of the woodwork. Morale sags and momentum slows down. That's the time to follow Churchill's advice and 'Keep Bugging On'.
- On completion, celebrate everyone's achievements and acknowledge all contributions that helped make the change work.

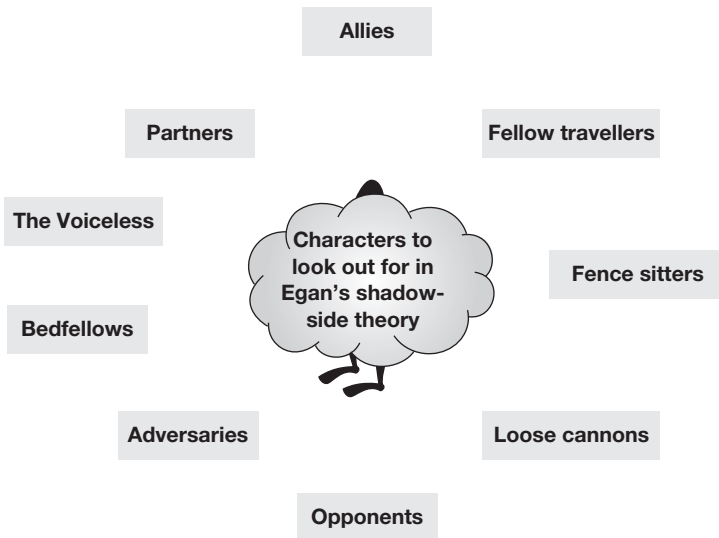
QUESTIONS TO ASK

- How am I going to create an atmosphere in which team members feel valued?
- Which of the seven activities listed by Moss Kanter am I going to find most difficult? What am I going to do to deal with this?

THEORY 60 EGAN'S SHADOW-SIDE THEORY

Use this to develop strategies for dealing with the different stakeholders who may support or hinder your change plans.

Gerard Egan argues that different approaches need to be taken to manage different stakeholders within an organisation. He categorises the stakeholders as follows:



Allies: Those who, if encouraged sufficiently, will support you.

Fellow travellers: Those who support the agenda for change but not necessarily you.

Fence sitters: Those whose allegiances are unclear, even to themselves.

Loose cannons: Those who you have no idea of which way they'll jump.

Opponents: Those who oppose the agenda for change but have nothing against you personally.

Adversaries: Those who oppose you and the agenda for change.

Bedfellows: Those who support the agenda but may not trust you.

The voiceless: Those who have little or no power to support or oppose the agenda for change.

Partners: Those who support the agenda for change.

Egan describes working on the 'shadow-side' as a way of dealing with stakeholders who can't be dealt with using the organisation's usual practices. Partners and Allies need to be kept onside, whereas Opponents and Adversaries may have to be discredited or marginalised. Fence sitters and the Voiceless should be seduced to ensure they don't go over to the other side.

HOW TO USE IT

- Recognise the role that the organisation's stakeholders play in the success of major change events.
- Recognise that this theory is concerned with organisational politics and power (see *Section 11*) and that without some political savvy you'll 'get done' by those who play the game better.
- Identify and get to know the key stakeholders in your organisation. Do this even if you don't envisage making a change in the near future. Work out what power, influence and interests each stakeholder has.
- Identify those stakeholders that might have an impact on your project. Rank them in terms of possible impact. The stakeholder with low power and low interest needn't take up too much of your time. It's those with high power and high interest that you have to engage with and develop as allies (see *Theory 65*).
- Continue to keep a watchful eye on the others and brief them regularly, but remember where your priorities lie.
- Get to know how each stakeholder feels about your change agenda and you personally. This will help you deal with them. Socialising with people you don't particularly like may be a chore but the odd drink outside of work may save hours of work in the office and at formal meetings.
- Remember, as the agenda for change rolls out it will affect more people. In focusing on the Opponents and Adversaries don't lose sight of the importance of consolidating your Partners and Allies.
- As the change progresses, monitor what the Fence sitters, Loose cannons and the Voiceless are doing. If they suddenly side with the opposition it could prove disastrous for you.

QUESTIONS TO ASK

- Have I identified all the stakeholders connected to the change?
- Do I know which stakeholders I need to concentrate my efforts on?

THEORY 61

WINSTON CHURCHILL ON THE VALUE OF POST-IMPLEMENTATION REVIEW

Use to remind you of the value of post-implementation reviews.

Winston Churchill (1874–1965) was recently voted the greatest Britain of all time. He was a statesman, author, orator and Nobel Laureate. He also minted numerous phrases that will live as long as English is spoken. The quote below is not one of his best. However, it does emphasise the need for all organisations to conduct a review of how successful their decisions and strategy have been and learn from both their successes and failures.

However beautiful the strategy, you should occasionally look at the results.

Winston Churchill

WHAT TO DO

- Forty years ago, one of the hot issues of the day was the failure of British industry to carry out post-implementation reviews of its decisions. This was blamed for many of its failures. Nothing much has changed in the intervening years. It is still the case that many companies undertake little or no post-implement reviews of decisions taken or strategies implemented. People argue that they don't have the time to undertake such reviews. But I'm inclined to think it's a case of self-preservation. They don't want to be held accountable for poor decisions. This is a shame because by failing to review both their successes and failures they are foregoing a truly wonderful learning opportunity. Always undertake a review. Even if, the findings, *'Are for your eyes only, Mr ...'*
- When reviewing a successful decision or strategy consider the following:
 - To what extent was the success due to unanticipated outside factors?
 - Would the decision have been a failure without these external factors?
 - Why didn't I identify these external factors in my decision/strategy making process?

- Did I maximise the benefits of these unexpected factors or was I slow to react to them?
- How can I improve my data collection to minimise the chances that I miss similar information in the future?
- What approaches, ideas and lessons (best practice) can I take from this successful decision/strategy, and apply in the future and share with colleagues?
- In the case of unsuccessful decisions and strategies:
 - To what extent did unforeseen events blow me off course?
 - Should I have been able to anticipate these unforeseen events? If so why didn't I pick up on them? Was it to do with the process of data collection that I used or my own ego?
 - Did I spend enough time examining the risks associated with the decision or strategy and developing strategies to deal with them should they occur (see Theories 67–70)?
 - What lesson can I learn from the failure and pass on to colleagues?
- These evaluations don't have to be formal or lengthy. However, you should make a note of the key findings in your learning journal. This will help you to improve future performance and add valuable data to your store of tacit knowledge.
- Finally always remember you can learn just as much from your failures as your successes.

QUESTIONS TO ASK

- Does the organisation have a policy of undertaking post-implementation reviews? If not, why not?
- Like surgeons, do I bury my mistakes or learn from them? (To be fair to surgeons they've always done both).

FINAL WORD ON CHANGE MANAGEMENT THEORIES

WHY ROSABETH MOSS KANTER WAS CROWNED AS QUEEN

Moss Kanter's theory is actually two theories for the price of one. Read the list of abilities that a change agent requires and you can quickly identify areas where you need to improve your own skills. But add to that her advice on what a manager needs to prioritise when leading change and she jumps clear of the competition. If you only ever read one book on change, read her 1989 classic *The Change Masters*.

It's worth remembering that after death, divorce and moving house, changing jobs is about as stressful as it gets. A major change in your current job isn't far behind that. Keep this in mind when dealing with staff. Adults learn from their experiences. If a member of your staff had a bad experience of change they are likely to fear any change you propose. If their experience of change was exciting and successful they will probably think that you are moving too slowly and you'll have to rein them in. The only way you will know how they feel is if you keep your mouth shut and your ears open. Talk to your staff and listen to what they have to say – you may be surprised by what you learn.

Avoid unnecessary haste during any change process. Often there is pressure on the manager to implement the change and 'get things back to normal' as quickly as possible. This can be dangerous. If you are to avoid resentment and displays of negative power from staff (see Theory 89) change can only move at the speed of the slowest member of staff. *The Titanic* went too fast and hit an iceberg. If you rush change you are almost certain to run into your own iceberg. It may not sink your career but it will delay your project and put a dent in your reputation.

SECTION 8

STRATEGIC PLANNING

INTRODUCTION

Many people find it hard to believe that good planning can significantly improve performance. Yet the same people are happy to subscribe to the belief that 'poor planning produces p*** poor performance'. Clearly dissonance, on a fairly major scale, is in play here.

Don't get me wrong, strategic planning won't solve all your problems. Planning can never be entirely accurate because it involves prediction and no one can tell you what's going to happen tomorrow, let alone next year. However, the act of planning requires you to think about the future and consider what might happen and how you will deal with different eventualities should they arise. That in itself is valuable. Planning also provides you with a road map of where you want to go. Yes, events may require you to make a detour and road closures and traffic jams may disrupt your journey, but if you know your final destination you can constantly update your route, even if you can't avoid the 22 miles of road works on the M6/M1.

There are two types of plan that you will almost certainly be involved in, namely business and strategic. A business plan usually covers a period of one year, whereas a rolling strategic plan may cover three to five years. Personally I think any plan over three years contains more conjecture and wishful thinking than useful information. If you don't think that you are involved in strategic or business planning, then I bet you either control or work to a budget. Well, a good budget is a business plan with a price ticket on it. And if it isn't then it's not a very good budget. Too often, the budget drives the business plan when what you really require is a realistic business plan which, when costed, becomes the budget. That business plan then feeds into year one of your strategic plan.

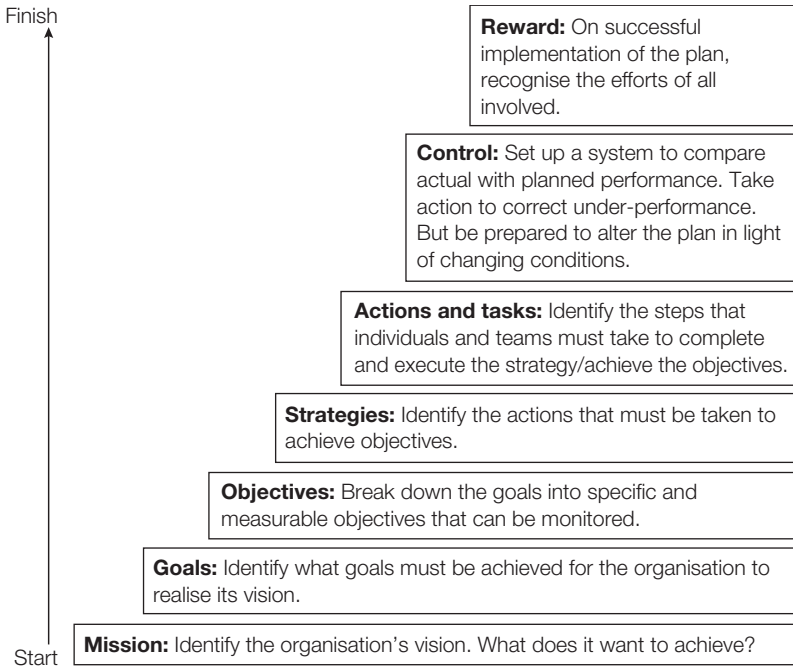
The theories discussed in this section will help you understand and contribute to either the business or strategic planning cycle in your organisation. Depending on your level in the organisation some theories will be more useful to you than others. However, all of them will provide you with different ways of looking at your organisation. The knowledge and understanding gained from this will make you a better manager, prepare you for future promotion and provide you with the ability to analyse and understand many of the apparently random changes that impact on your work.

THEORY 62

THE SEVEN STAGES OF STRATEGIC PLANNING

Use as a summary of the major stages in any planning process.

There are various approaches to strategic planning but the following seven-stage approach is fairly standard with many organisations adapting it to their own unique needs.



HOW TO USE IT

- Use the seven-stage approach as a valuable overview of the stages that you need to go through if you are to produce a comprehensive and well-thought-out plan.
- Different writers define the terms' aims, goals and objectives differently and others use the terms interchangeably. Always make certain that in any conversation or meeting you have everyone shares a common set of definitions.
- Identify which planning approach your organisation favours – top down or bottom up. Based on this identify the role management expects you to play (*see Theory 63*).
- Top-down approaches involve senior managers and a few 'planning experts' locking themselves away for a week and developing a plan with little reference to anyone else. In this case the role of middle manager is to accept what has been produced and implement it without question. If this is your organisation's approach your job is to sell the plan to staff, even if you don't personally support the plan.
- Bottom-up approaches involve collecting data from staff at every level and senior managers and planners using this to draw up the strategic plan. The role of the middle manager is to collect, analyse and summarise the most useful data before reporting it to the planning team. There will be more work for you in terms of feeding into the plan but implementation will be easier as staff will feel that their views were listened to.
- Whatever your role, use one or two trusted staff to help you provide information/implement the plan.

QUESTIONS TO ASK

- Do I prefer top-down or bottom-up approaches to planning?
- Are there any differences between the organisation's preferred approach and mine? If so, how am I going to resolve them?

THEORY 63

ANSOFF TO WATERMAN – THE
EVOLUTION OF STRATEGIC
PLANNING

Use to identify which strategic planning approach your organisation favours and how you can contribute.

There have been three distinct stages in the evolution of strategic planning vis:

1960s, Igor Ansoff's modernist approach: A top-down approach is adopted, with senior managers and a small number of specialist planners responsible for strategic planning. It assumes that planning over a three to ten year period can be accurate and that implementation will be easy and routine. Should there be a change in circumstances, planners are expected to react quickly to the new conditions and amend the plan but such occurrences would be rare.

1980s, Peters and Waterman's post-modernist approach. As the future is unpredictable, planning is worthless. Management should concentrate on identifying new ideas and trends as they occur and aim to react to the new environment quicker than competitors. As middle and junior managers are nearer to the customer, it is they who should identify changes and it's senior management's role to support them. Organisational flexibility, creativity and reacting to customers' demand are key to success not planning.

Late 1990 onwards, Quinn Hamel and Prahalad's new modernist approach. Recognises that all plans are based on inadequate information and will need to be updated constantly. Senior management is responsible for the intellectual leadership of the organisation. They collect market information from frontline staff and middle managers and combine it with foresight, customer feedback and small-scale experiments to identify the changes required. Each change is broken down into its constituent parts and management play an active role in monitoring and supporting staff during the change process.

HOW TO USE IT

- Identify which planning paradigm, if any, your organisation uses. Most use a version of the new modernist approach, i.e. they develop a plan which they use as a guide for the year ahead but recognise that it will change as circumstances dictate.
- Ensure that you fully understand the organisation's long-term objectives and can explain them in clear simple terms to your staff. At the same time keep track of how small incremental changes impact upon those objectives.
- Talk to frontline staff, customers, suppliers and competitors to stay abreast of what is bubbling under in the marketplace. Share this information with colleagues and senior management. Use *Management by Walking About* (see *Theories 7 and 67–69*) to collect this information.
- Use your knowledge of possible future changes to plot a route that will make the implementation of the change easier for you and your staff.
- To deal with the 20% of truly unexpected events (see *Theories 68–70 and 91*) train yourself and your staff to show flexibility, spontaneity and creativity when responding to changing circumstances
- As you work with the organisation's planning process, identify any weaknesses and try to resolve them – while making sure that you get the credit for your efforts. Similarly identify any good practices and see if it can be applied in other parts of the planning process.

QUESTIONS TO ASK YOURSELF

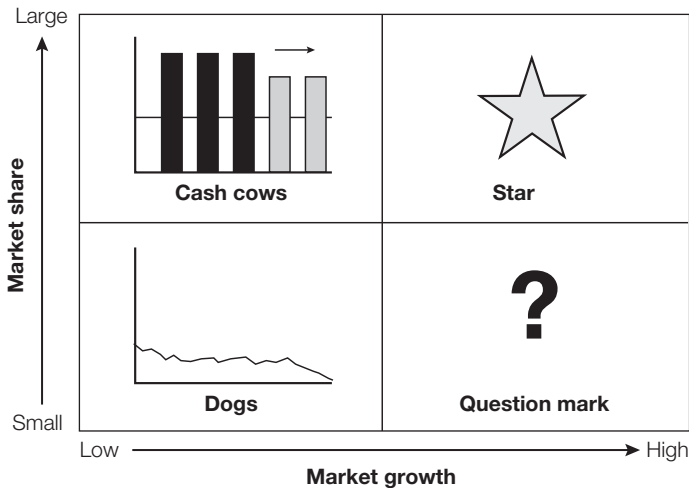
- Do my staff feel threatened by change? What can I do to assuage their fears?
- How can I equip myself and my staff to deal with uncertainty, change and the opportunities they throw up more effectively?

THEORY 64

THE BOSTON CONSULTING GROUP MATRIX MODEL (CROWN AS KING)

Use to identify specific strategies you can use when considering the value of products and services to your organisation.

The Boston Consulting Group (BCG) created a matrix to assist organisations in deciding how to allocate investment among their products or services. By dividing the matrix into quadrants, four groups of products can be identified using as descriptors their position relative to market share and market growth rate.



Source: Adapted from *Key Management Models*, 2nd edn, Pearson Education (van Assen, M., van der Berg, G. and Pietersma, P. 2009) p. 9. The BCG Portfolio Matrix from the Product Portfolio Matrix © (The Boston Consulting Group, 1970).

When faced with the findings from a BCG matrix there are four possible strategies that organisations can adopt:

- **Build share:** Invest to increase market share, for example turning a question mark into a star or a dog into a cash cow.
- **Hold:** Invest just enough to keep the product in its present position.

- **Harvest:** Reduce the amount of investment in the product in order to maximise its short-term cash flows and profits.
- **Divest:** Get rid of a product by selling or phasing it out. Question marks and dogs are the most likely to be sold off and the funds used to invest in potentially successful question marks and stars.

HOW TO USE IT

- Use the Pareto Principle (*see Theory 91*) to identify the products and services that are the most and least profitable.
- **Stars** are high-growth products or services competing in markets where they are relatively strong compared with the competition. Stars are the most important category because they are your future. You need to invest heavily in them to maintain their growth and maximise returns.
- **Cash cows** consist of low-growth products or services with a relatively high market share. These are mature, successful products with relatively little need for investment. Milk your cash cows but also look after them and don't take them or their customers for granted.
- **Question marks** are products or services with low market share but which operate in high-growth markets. They may have potential, but will require substantial investment in order to increase market share. It's with question marks that you really earn your money. You have to decide which to back and which to abandon.
- **Dogs** refers to products that have a low relative share in a low-growth market. Dogs may generate enough cash to break even, but they are rarely worth investing in. If you work solely on a product which is classified as a dog then either get out or increase the product's market share. If you are responsible for deciding which products and units to keep you will have to decide which dogs to put down.

QUESTIONS TO ASK

- Do I know which of my products are stars, cash cows, question marks and dogs?
- Am I emotionally attached to a particular product or service, for example, the first product I developed? Does my attachment cloud my judgement?

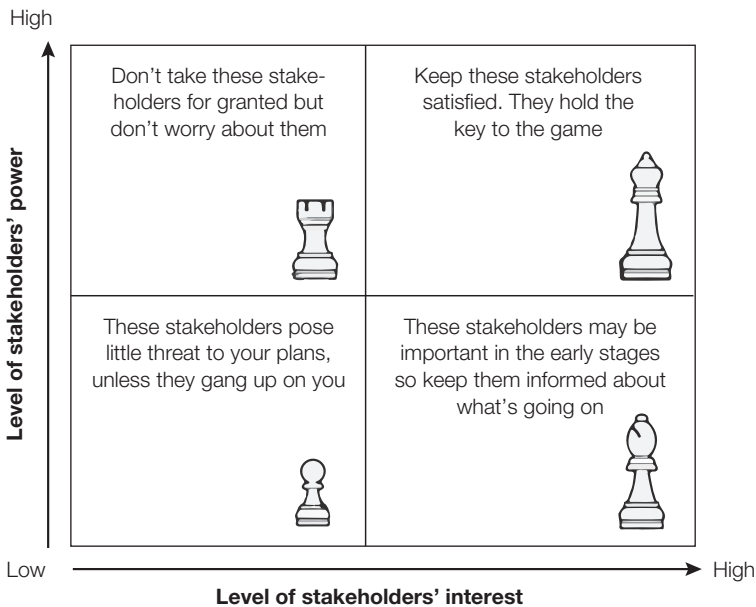
THEORY 65

JOHNSON, SCHOLES AND WITTINGHAM'S STAKEHOLDER MAPPING THEORY

Use to identify the internal and external stakeholders that can affect your plans.

Gerry Johnson, Kevan Scholes and Richard Wittingham argue that mapping stakeholders is a strategic business tool, that identifies and assesses the effect of different individuals or groups of stakeholders on the organisation.

Stakeholders are recorded on a graph which plots their level of interest in issues that affect the organisation against the power they possess to exercise those interests. The stakeholders in this way are broadly divided into four groups:



HOW TO USE IT

- Use in conjunction with Egan's shadow-side theory (see *Theory 60*).
- Identify your stakeholders and their level of interest in the organisation.
- Identify those most likely to affect and be affected by your decisions.
- Use the above information to map and analyse the different groups of stakeholders according to their level of interest and power. Then set about making yourself known to them and winning their confidence. Talk to them and get to know how they feel about you and your work. Find out what's likely to motivate them to either support or oppose you and what they expect from you.
- Keep a watchful eye on those stakeholders with little power and little interest (the pawns) but don't waste too much time communicating with them.
- Talk to the ones with little power but high interest (the bishops). They may lack power to influence decisions but may be useful when it comes to working up the detail on your project or convincing other stakeholders.
- Put just enough effort into the ones with high power but little interest (the rooks) in order to keep them satisfied, but accept they may not want to get involved in the detail.
- Focus your attention on the ones with high power and high interest (the queens). These are the people you need to fully engage with to get the job done.
- Remember the more active you are as a manager, the more people you affect. It is like a game of chess where the more pieces you win or lose affects how well you do. The odd sacrifice may also have a major effect on whether you win or lose.

QUESTIONS TO ASK

- Do the key stakeholders even know that I exist?
- How am I going to raise my profile with all stakeholders?

THEORY 66

PORTER'S FIVE FORCES THEORY

Use to summarise your current competitive situation.

Michael Porter's five forces theory is a framework for organisational analysis and business strategy development. Porter outlines five forces that determine competitive intensity and therefore the overall profitability of a service or product.

PORTER'S FIVE FORCES:

Threat of new entrants: Profitable markets that yield high returns will attract new entrants. This will eventually decrease profitability for all organisations in that sector.

Threat of substitute products or services: The existence of improved versions of your product and substitute, or near substitute, products increases the likelihood that customers will switch to alternatives – especially if they are cheaper or easier to access.

Bargaining power of customers: The ability of customers to apply pressure on the organisation, including resistance to price rises, increases when organisations supply a small number of big customers.

Bargaining power of suppliers: The ability of suppliers to charge excessive prices increases if there are a limited number of suppliers in the field.

Competition within the sector: For most organisations, the intensity of competitive rivalry is the major determinant of the competitiveness of the industry.

HOW TO USE IT

- Look at each of the forces and analyse the strength of your current competitive position and identify the position you would like to be in (*see Theory 67*).
- How easy is it for customers to move suppliers? Keep one step ahead of your competition by improving what you offer or lowering prices to make substitution uneconomic. Aim to give your customers what they don't know they need by listening to your frontline staff (*see Section 10*).
- Do you have a few very large customers? How easy would it be for them to drive your prices down? If you deal with a few powerful customers, they can dictate terms to you, and you need to broaden your customer base.
- How easy is it for your suppliers to drive prices up? Can they hold you to ransom because they are sole suppliers of a product or service? Is it possible to switch suppliers? The fewer suppliers you have the more you are at their mercy. Find ways to broaden your supplier base. Start with the internet. Overseas suppliers are just a click away.
- How strong are your competitors? If you have many competitors, and they offer equally attractive products and services, then your customers will move if the competition can provide a better/cheaper service. Keep a close watch on the quality of your products and services (*see Section 10*) and prices (*see Theory 83*) to make sure you maintain your competitive edge.

QUESTIONS TO ASK

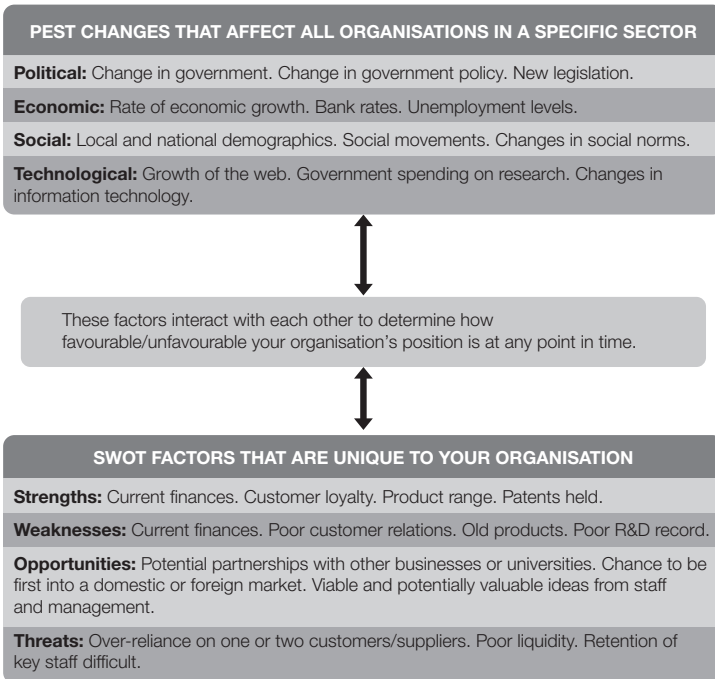
- When was the last time I methodically reviewed my team's competitive position?
- How can I differentiate my products or services from those of my competitors?

THEORY 67

SWOT AND PEST DONE RIGHT! (THE FIRST 11)

Use to assess your organisation's current and possible future financial and strategic position.

It is often incorrectly assumed that the difference between SWOT and PEST analyses is that SWOT deals with internal factors affecting an organisation and PEST external factors. The real difference is that, whereas SWOT is concerned with issues unique to a single organisation, PEST identifies the issues that will impact on all the organisations in a specific sector.



Source: van Assen, M., van den Berg, G. and Pietersma, P., *Key Management Models (2nd edn)* (Pearson Education, 2009).

HOW TO USE IT

- Whether you are running a SWOT or PEST exercise the same approach can be adopted.
- Check with your marketing team to see if they receive a monthly digest of articles that have appeared in the press or online that mention your organisation.

- Build a network of contacts with other managers in your sector. Trade and professional gatherings are a good place to start.
- Pull together a small team from across the organisation to do the exercise. Define and explain the purpose of the SWOT/PEST analysis, e.g. are you looking at the issue of market share in the Birmingham area or across the country?
- Don't look more than two or three years down the line.
- Use the information that the organisation already has to get the ball rolling. Then use brain storming and the models discussed in this section to collect further ideas/information.
- Encourage members of the team to use Management by Walking About (MBWA) (see *Theory 7*) to collect additional data. Impress on them the need to define a purpose for each MBWA in advance and not to interrogate people but simply engage them in conversation. Remind them that this is a listening exercise. They should say a little and listen a lot!
- Use every conversation and meeting you and your team have with staff, customers, suppliers, competitors, bankers, accountants and consultants to collect additional data. Stress the need to listen to those who hold unpopular views. Why? Because every new idea started with just one person and was downright stupid until the majority of people took it onboard.
- At the SWOT/PEST meetings use post-it notes to record suggestions and then arrange the individual ideas under themes on the wall.
- Analyse and evaluate each idea in terms of the impact it would have on the organisation if it occurred and how likely it is that it will happen (see *Theories 68–70*). Use quantitative (hard) and qualitative (soft) data and personal insights to evaluate the issues (see *Theory 73*).
- Look for high-probability, high-impact issues. If there is more than a 30% chance of a high-impact event occurring, it's worth analysing further.
- Briefly outline a strategy for dealing with all those threats that have breached the 30% level. They can be worked up fully as and when they become more likely to happen.
- Remember most SWOT/PEST analyses aren't worth the paper they are written on. Why? Because people forget that a strength is only a strength and a weakness is only a weakness if it provides either a competitive advantage or disadvantage. For example, 'A highly skilled and committed workforce' is only a strength if your staff are truly better than your competitors.

QUESTIONS TO ASK

- Who can help me conduct a SWOT/PEST exercise?
- Have I ever evaluated how accurate/useful the SWOT and PEST exercises that I conducted in the past were?

THEORY 68 UNEXPLODED BOMBS

Use to remind you of the unexploded bombs that lie hidden in every organisation and the need to respond quickly should they explode.

The UXB Model is a metaphor for those risks that are lying quietly in many organisations, gently ticking away, counting down to the moment they will explode and destroy the business. Many organisations are sitting on such bombs without even knowing it. The strength of the model is that it challenges people complacency and asks them to identify potential threats and strategies and deal with them.

Very often ‘the bomb’ will relate to the organisation’s inability to read the marketplace and/or respond rapidly to changes in the market or business sector.

HOW TO USE IT

- The problem with unexploded bombs is that you don’t know what you don’t know. Identifying possible threats is going to be your biggest challenge and will require creative thinking.
- Pull together a small working party and follow the approach outlined for SWOT and PEST Analyses (see *Theory 67*), except this time you are only interested in identifying large and potentially devastating threats to the organisation’s existence.
- Assess how likely it is that the bomb will explode. Some threats may never become reality. Others may blow up next week. Electric cars may well be a threat to petrol powered cars but they aren’t going to replace our oil guzzlers in the next 5 years. People have too much capital invested in their current cars to dump them and buy a new electric car. The electric revolution, if it happens, will be slow and steady. Compare that to the major changes in medicine that are likely to occur over the next ten years thanks to advances in human genetics.
- Estimate when the bomb will explode. If it’s in 10 years’ time, you may consider that it is too distant to be concerned with as circumstances may change significantly over that time. If you calculate 3 years, you

need to identify what strategies can be put in place to either defuse the bomb, delay its explosion or contain the damage it causes when it goes off.

- Defusing strategies include:
 - Investing in R&D to create a shield that negates the threat you face.
 - Changing your business model and/or practices.
- Delaying strategies include:
 - Changing your products in an attempt to postpone the day they will become obsolete.
 - Changing your business plan, e.g. emphasising internet sales over high-street sales.
- Containment/elimination strategies include:
 - Changing the business focus to something entirely new.
 - Selling the business and starting anew.
- It's generally safe to ignore the very unlikely and/or very distant events. But there are always Black Swan events out there just waiting to be discovered (see *Theory 69*).

QUESTIONS TO ASK

- How much attention do you pay to innovations and new ideas in your business sector?
- Is there anyone looking for bombs in your organisation? If not is it something you could take on and become known for?

THEORY 69 TALEB'S BLACK SWAN EVENTS

Use to remind you that anything can happen and you can't afford to be shocked into inaction by events.

Nassim Nicholas Taleb's black swan theory is a metaphor that describes an event so unusual that before it happened it was utterly inconceivable.

FOUR CRITERIA THAT HAVE TO BE MET FOR AN INCIDENT TO BE CONSIDERED A BLACK SWAN EVENT:

The occurrence must be a stunning surprise/shock to the observers, for example the 9/11 attack on the Twin Towers or the Nice lorry outrage.

The event produces a major reaction, for example the attack on the Twin Towers led to the War on Terror.

After the event, people rationalise what has happened and come to believe that it was predicable if only they/others had read the signs or joined up all the myriad pieces of data that were available, for example just a few years prior to 9/11 the thriller writer Tom Clancy wrote a book about Japanese terrorists crashing a Jumbo jet into the Capitol Building.

It is the observers of the event who decide if it is a black swan event, i.e. 9/11 was not a black swan event for the terrorists but was for those who saw it unfold.

Taleb does not suggest that we attempt to predict black swan events. Rather we need to build robust systems that can withstand sudden unexpected events, and which are run by people who are capable of reacting quickly to the events.

WHAT TO DO

- How can you plan for the unknown and unknowable? With difficulty. So, instead, plan for flexibility and fleetness of foot. When a black swan event occurs, don't be one of those shocked into immobility. Start to ask questions and identify the impact that the event may have on you and your organisation.
- Many organisations in the public sector have emergency planning teams as do large companies. If you don't have an emergency team, pull a small group of people together to discuss the implication of the events upon the organisation. Use PEST and the UXB model (see *Theories 67 and 68*) as a means of identifying possible threats, opportunities and the way forward if one or more of them should materialise.
- Put in place 'emergency measures' to deal with any threats and work up ideas for how opportunities may be exploited. 3D printing was a potential black swan event when it was first announced. But because it didn't threaten existing production methods immediately it didn't have the necessary impact to describe it in such terms. But the impact is coming. What has your organisation done about it?
- When planning build flexibility into your plans. The purpose of a plan is to help you reach your objective. It is not meant to be a strait jacket. When events blow you off course reassess how you will achieve your objective. Be willing to take detours and back roads but always keep in mind your final destination and try to move towards it.

QUESTIONS TO ASK

- How flexible am I when it comes to thinking and planning?
- Do I expect things to go according to plan? If so, why?

THEORY 70 SCENARIO PLANNING

Use to make broad, flexible plans for a range of possible future events.

Scenario analysis has been developed by a number of people as a means of planning for the future. Given the nature of discontinuous change, scenario analysis makes use of both quantitative and qualitative data (*see Theory 73*). Scenario analysis attempts to identify the effect that key variables may have on the organisation in the short and medium term and developing a series of strategies to deal with them should they occur.

WHAT TO DO

- Appoint an experienced external facilitator to help you run the workshops with your Scenario Team. You want someone who will challenge the preconceived ideas that you and your staff hold.
- Working with the facilitator select about six people (three in small organisations) who have imagination and an understanding of the changing environment that the organisation operates in. At least one of the team needs to be a technology expert.
- Brief the team on the aims of the exercise. Specify the variables that you particularly wish to explore, for example, inflation rates, leaving the European Union (Did your organisation predict Brexit?).
- Don't try to look too far into the future. In today's world, anything over three years is about as accurate as an astrological chart.
- Working alone, ask every member of the team to prepare a list of the issues that they see arising from the variables proposed. Allow members to add variables that you didn't specify in the briefing. Give them about a week to think about their list and to write up their ideas briefly.
- Circulate each person's report before the team's workshop. Allow for between 30 and 60 minutes to discuss each person's submission. At this stage avoid criticism of people's ideas. You want everyone to contribute. If you stamp on someone's 'daft' idea early on everyone else will get the message and clam up.
- Follow up the first Workshop with another meeting about a week later. In between meetings encourage team members to talk to one another and with the facilitator. This will enable them to change or moderate their views about their own and other people's ideas.

- At the following Workshop/s evaluate each scenario on the basis of how likely it is to happen and what will be the effect on the organisation if it does happen. This gives rise to the following table of risk:

High risk of occurring/low cost	High risk of occurring/high cost
Low risk of occurring/ low cost	Low risk of occurring/high cost

- Clearly, it's not worth working up strategies for low-risk/low-cost or high-risk/low-cost scenarios. Concentrate your efforts on low risk/high cost and high risk/high cost. If any issue in these two categories has a 30% chance or more of occurring you need to determine a strategy for how you will deal with it.
- It's very likely that a single strategy will address several scenarios. These are the strategies that you should work up in greatest detail as they are the most likely to be used in practice.
- For each scenario develop a best and worst case scenario and one midpoint between those.
- Report to senior management/board and get their approval for your recommendations. This will save time if you have to implement one or more strategies in the future.

QUESTIONS TO ASK

- Do you enjoy playing around with different business scenarios or do you think it's a waste of time?
- On a scale of one to ten, with ten totally uncertain, how predictable do you think the business environment is in which you work? (Did you predict Trump?)

A FINAL WORD ON STRATEGIC MANAGEMENT THEORIES

WHY BOSTON CONSULTING GROUP WAS CROWNED AS KING

This was a difficult choice and several theories could have been crowned king. But then I remembered what Drucker said: ‘There is only one valid definition of a business purpose – namely to create a customer’. Customers are created when they buy your products. Therefore the maintenance, growth and development of your product range is key to success. The BCG theory provides a strikingly clear way to analyse any product mix. If you know your business well, you should have very little difficulty placing each product in the appropriate box and then using the advice provided by the model to decide what to do. A simple and ingenious theory.

Although I’ve crowned BCG as king, I would offer one word of warning. Never refer to a product as a ‘dog’ within earshot of anyone who doesn’t know what the term means. The management team of one university decided to use the BCG grid to analyse its courses. Somehow staff got wind of the fact that senior management thought that some courses were ‘dogs’ that needed to be taken out and shot. Within a day the email system was red hot as apoplectic academics fumed and students complained at the disparaging remarks.

Organisations don’t always make it clear what role they expect their managers to play in the strategic planning process. That leaves a vacuum for you to exploit. A role in the planning process will bring you into contact with a wide range of people in the organisation, some of whom may be able to assist you in your current work or future advancement. Either way, it’s an opportunity to get noticed and to meet the key players in the organisation and its stakeholders. Therefore, if your planning role is limited, volunteer/negotiate to play a bigger part in the process – for the good of the organisation of course.

SECTION 9

DECISION
MAKING

INTRODUCTION

It may be too dramatic to say that managers live and die by their decisions; however, a record of good decisions can make a career, whereas a string of poor decisions can mean being side lined.

So what is a good batting average for a decision maker? You'll be surprised to learn that according to Robert Townsend it is a measly 33% (see *Theory 71*). He contends that a good manager gets 33% of decisions right, 33% wrong and that in the remaining third of cases whatever you decide it will not alter the actual outcome.

Understanding and accepting that even the best managers don't always make the right decisions is empowering. It gives you permission to make the wrong decisions and to avoid beating yourself up because you are human and unable to forecast the future!

Over the years I've seen many good managers lose their confidence because of a couple of bad decisions. The result has been that they have become ever more cautious, demanding vast amounts of information and analysis before making even a routine decision. Delays caused by their over-the-top demands are often more costly than making the wrong decision early and then correcting when it's obviously not working.

The theories in this section will provide you with ideas on how to develop your own approach to decision making. What it can't do is turn you from a risk adverse wimp living in a cupboard into a dynamic risk taker that makes an SAS trooper look boring, AND NOR SHOULD IT. The vast majority of organisations do not want risk junkies making their decisions. But neither do they want hyper cautious risk avoiders. To discover what they want examine your organisation. Identify who has a reputation for good decision making. Analyse how they go about making decisions and the level of risk they are willing to live with, and use that as your benchmark. If you think it's difficult getting such information you are wrong. Most managers will be only too happy to tell you about their approach to decision making. All people have an ego and are pleased when people show an interest in what they do and how they do it.

THEORY 71

TOWNSEND'S RULES OF
DECISION MAKING (CROWN
AS KING)

Use to remind you of the need to make decisions quickly.

Robert Townsend was CEO of Avis Rent-a-Car and wrote the biggest selling management book of the 1970s, *Up the Organisation*. His book was an irreverent look at management practices in the USA at the time. But behind his humour was a sharp business brain honed by years of experience.

TOWNSEND'S RULES OF DECISION MAKING

Rule 1: Decisions should be taken at the lowest level possible in the organisation.

Rule 2: There are only two types of decisions: Those that can be made quickly because they are cheap and easy to correct and those that should only be taken after due consideration because they are expensive and difficult to correct.

Rule 3: All decisions are made on the basis of incomplete data, so either learn to live with this fact or get out of the game.

Rule 4: A good manager gets 1/3 of their decisions right, 1/3 wrong and the other 1/3 would have turned out just as they did whatever decision was made.

HOW TO USE IT

- Don't pass decisions up the line that you have the authority to make – it will make you look indecisive.
- Delegate decisions that are below your pay grade to staff and monitor that they are dealt with.
- Have the confidence to take decisions that are cheap and easy to correct quickly and with minimal information. Or better still delegate them (*see Theory 72*)
- Delay taking decisions that are expensive and difficult to correct until you have adequate, but not complete, data. Use both quantitative (hard) and qualitative (soft) data and your own tacit knowledge (*see Theory 73*). What constitutes adequate data will depend on the nature of the decision/project and your own risk profile.
- Never take into account what has already been spent when making a decision. Such money has gone for good. Look only at future cash flows. If you have already spent £4m on a project and need to spend a further £1m to complete it, only compare that additional £1m with future cash flows not £5m (£4m + £1m). If future revenues are predicted to exceed £1m you might decide to proceed, but if they are below £1m you fold. Never think 'God we've got to get something in return for the £4m already spent'. That's the equivalent of a gambler chasing their losses.
- While you can never have complete data when making a decision, you should subject the data you do have to critical evaluation. Ask if the data has been affected by incorrect assumptions, wishful thinking, errors in calculation, over-optimistic projections of customer numbers and cashflows or an underestimation of risk.
- Always carry out a post-decision review (*see Theory 61*). If you don't you're missing a great opportunity to identify errors, weaknesses and strengths in your decision-making process, information which will help you make better decisions in the future.

QUESTIONS TO ASK YOURSELF

- How often do I 'pass decisions up the line'?
- Am I happy to make quick decisions on little information when they are cheap and easy to reverse?

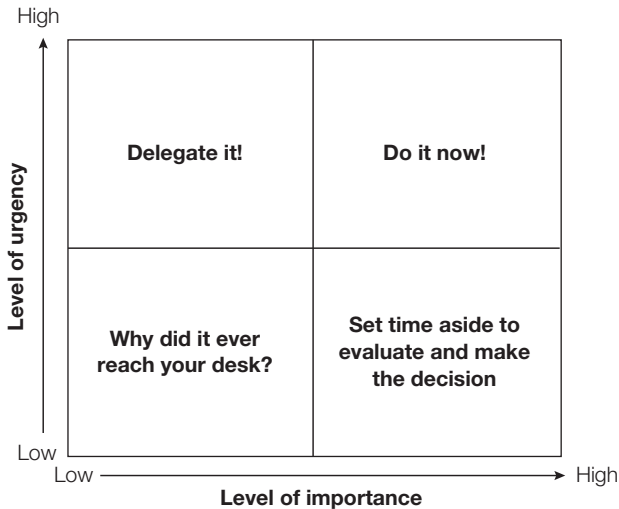
THEORY 72

THE EISENHOWER PRINCIPLE
AND THE DELEGATION OF
DECISIONS

Use to identify the decisions you should take and those you should delegate.

President Dwight D. Eisenhower was the Supreme Commander of Allied Forces during World War II and was in charge of the Allied Invasion of Europe (D-Day), so he knew a thing or two about decision making. Famously he said that 'What is important is seldom urgent and what is urgent is seldom important'.

Eisenhower's Principle has been used as a system of time management, but it's included here as a reminder that not all decisions are equal and most can be delegated to your staff.



HOW TO USE IT

- Use the Eisenhower grid to analyse the decisions you have made in the last month. How many of them should have been delegated?
- **Not urgent and not important decisions.** Why are you wasting time and energy on decisions that are below your pay grade? Delegate them.
- **Urgent but not important decisions.** You should delegate all unimportant decisions. But remember to provide guidance to your staff as required (*see Theory 14*) and monitor their progress. If a delegated decision has not been made and has now become urgent, don't take the decision yourself. Insist that the person responsible for the decision deal with it immediately. There are a couple of exceptions to delegating unimportant decisions. You may wish to respond yourself to any requests from your manager or other influential stakeholder (*see Theories 60 and 65*) yourself.
- **Urgent and important decisions.** These are probably the decisions that you should spend most time on. Your aim is to reduce the number of decisions that fall into this category. You can do this by prioritising all the important decisions that you have to make and keep track of where you are with each one.
- **Not urgent but important decisions.** This category is the most important for two reasons: 1) If you fail to deal with them they will eventually become urgent and important and 2) Often these decisions deal with underlying problems within your team or area of responsibility. If you can remedy these faults you will reduce the number of problems arising in the future that will require a decision.
- To improve your decision-making efficiency you will initially have to invest time and effort in changing systems, procedures and staff attitudes. Decisions should be made at the lowest level possible and staff should not be allowed to push them up the line (*see Theory 71*). Similarly monitoring and control systems should be in place to ensure that when a decision is delegated it is dealt with in a correct and timely fashion (*see Model 56*).
- Be assertive and refuse to deal with decisions that others should make.

QUESTIONS TO ASK

- Which of the non-urgent but important decisions sitting in my in-tray would save me the most time in the long run if I were to tackle it today?
- Do I secretly encourage staff to pass all decisions to me because it makes me feel important/look good?

THEORY 73

THE McNAMARA FALLACY:
THE VITAL INFORMATION THAT
DECISION MAKERS IGNORE

Use to ensure that you take account of all the relevant data prior to making a decision.

During the Vietnam War the US Secretary of Defence Robert McNamara developed what has come to be known as the McNamara Fallacy. It was his attempt to understand why for much of the war America and its politicians thought that they were winning.

McNamara concluded that too much attention had been paid to hard measurable facts such as the number of Viet Cong killed or captured, whereas little or no attention had been given to the soft data such as enemy morale and the Vietnamese people's desire to be free from foreign rule following the departure of the French in 1954.

McNamara outlined his fallacy model using four statements to describe the decision-making approach of politicians and the military at the time. According to him they had:

- **Measured what could be easily measured.**
- **Ignored or poorly quantified anything that was difficult to measure.**
- **Assumed that what couldn't be measured was of little importance.**
- **Assumed that what couldn't be measured didn't exist and had no effect on the war's progress.**

The implications for managers are obvious. When making decisions, managers must find a way to take into account factors that are difficult, or seemingly impossible, to express in financial terms.

HOW TO USE IT

- Acknowledge that scientific management has been the main form of management since ownership and management of organisations started to diverge at the end of the nineteenth century with the advent of limited liability companies.
- Recognise that this split between owners and those managing the organisation has led to soft non-numeric data being marginalised. This has been done because managers wanted to demonstrate that their decisions were based on hard evidence and not just gut instinct. This is particularly important when things go wrong as it enables managers to blame the data.
- To include qualitative data, start by identifying the main non-quantifiable assets of your organisation, for example staff morale, staff expertise, intelligence on competitors, relationships with customers and between staff and management, management effectiveness. I could go on, and my friends say I regularly do, but you get the point.
- Use your list as a starting point for a brainstorming session with five or six members of your team to identify other non-financial costs and benefits that you need to factor into your future decisions.
- Collect additional qualitative data from staff and other relevant stakeholders using Management by Walking About, informal conversations, observations, questionnaires and interviews (see *Theories 7 and 17*).
- Use cost-benefit analysis to allocate a value to each of the non-quantifiable assets identified. Use these values in any decisions they impinge on and update them regularly.
- Don't accept financial or statistical data without understanding how it was calculated. Ask your accountant to explain how they arrived at the figures. Accountancy isn't a science. It involves choices, opinions and professional judgements, some of which you may want to challenge.

QUESTIONS TO ASK

- What's my attitude towards the use of non-financial/numeric data? Do I think it's important or a load of rubbish?
- Did I fail to use any important qualitative data when I made my last significant decision?

THEORY 74 OFFSHORING CORE FUNCTIONS

Use when you wish to move a substantial part of your core business overseas for strategic reasons.

The terms ‘outsourcing’ and ‘offshoring’ are often confused or used interchangeably. Outsourcing refers to the transfer of non-core activities such as cleaning or maintenance services to an organisation that specialises in that function. Offshoring is the transfer of core activities such as production or IT support to another country.

HOW TO USE IT

- Recognise that any decision to offshore is a major strategic decision that will require the careful assessment of advantages and disadvantages and careful implementation.
- As a manager you may assist in developing the case for offshoring or ‘run the show’ dependant on your seniority. Either way, step one in the process is identifying clearly the reasons for the potential move. These will normally include:
 - Improved economy (reducing costs while maintaining or improving existing quality).
 - Increased efficiency (increasing the number of outputs from the same level of input while maintaining or improving existing quality).
 - Access to a more productive/better qualified/cheaper workforce.
 - Extend the organisation’s presence internationally, especially in quickly growing markets.
 - Reaction to competitors’ reduction in cost base.
 - Access to new markets.

- Step two is to identify potential overseas partners/destinations and assess their suitability for partnership working. For example:
 - What is the political and business culture in each country you are considering? Will you be able to operate in such a culture? What will be the reaction of your customers and other stakeholders to you moving work to the country?
 - Will the indigenous labour market be able to supply your needs?
 - What is the cost profile associated with the country and what transport costs will you incur?
 - Are there any political or security issues to be considered?
 - What effect will the change have on the quality of your product?
- Step three is concerned with confirming which products or processes you will offshore. This requires a detailed analysis of the costs and benefits associated with each offshoring product. Pay particular attention to the reaction of your stakeholders (*see Theories 60 and 65*).
- Step four involves a meticulous assessment of the case for moving to each country. As indicated above, this is by no means limited to financial factors alone. Political stability, culture, attitudes to foreigners' and foreign investment, prevalence of corruption and many more issues must be taken into account.
- If your job or those of your staff are at risk as a result of offshoring and you don't have a cast iron guarantee of a job after the transfer, think about moving. Use the work you do on the transfer to enhance your CV.

QUESTIONS

- What's my likely role going to be in any offshoring decision?
- How much time have I and other managers spent on the ground in the country they are thinking of offshoring to?

THEORY 75

KIM AND MAUBORGNE'S BLUE OCEAN STRATEGY

Use to escape from tired, over-crowded old markets and find a new ocean to play in.

The W. Chan Kim and Renee Mauborgne model differentiates between what they call Red and Blue Ocean Strategies (BOS). However, you should realise that it is essentially a theoretical model that describes what should be done, and it doesn't actually tell you how to do it. That said, it still provides a valuable way of thinking about where an organisation should position itself vis-à-vis their competition.

Red Ocean Strategy	Blue Ocean Strategy
<ul style="list-style-type: none"> ■ Concentrates on beating the competition in existing markets. ■ Looks to maximise existing demand. ■ Believes that there is a trade-off between value and cost and aligns its strategy accordingly. ■ Thinks that Blue Ocean Strategy is all about new technology. 	<ul style="list-style-type: none"> ■ Looks to identify new marketplaces free of competitors. ■ Seeks to identify, create and exploit new demand. ■ Does not believe that there is a trade-off between value and cost. ■ Aligns the organisation's culture, strategy, processes and activities around the idea of product differentiation and low cost.

Blue Ocean Strategy is all about innovation and thinking creatively about the markets an organisation wishes to be in.

HOW TO USE IT

- Accept that it not easy to implement a BOS. There is no step-by-step guide to follow. You need to be as creative. That said there are a few principles to guide you.
- You or the organisation's management team need to decide which factors:
 - are considered sacrosanct by the industry you operate in can be eliminated
 - could be reduced below the accepted norm in the industry

- should be raised above the accepted norm in the industry
- can be created in the industry for the first time and offered to customer
- When considering the above questions, it's essential that customer value drives the discussion and not how the competition are going to react. In your Blue Ocean there will be no competitors (at least initially).
- Start by identifying potential blue oceans in which the risks are minimised. Avoid high risk areas. Moving to a Blue Ocean strategy is risky enough without additional complications.
- Avoid thinking about the minutia. Concentrate on the big picture.
- Don't spend time thinking about the existing demand. Sony built the Walkman at a time when there was no demand for such a gadget.
- Focus on how you can build a strong business model which will ensure long-term profit.
- Deal with organisational resistance/problems to the new strategy (see *Theories 60, 65 and 89*).
- Plan the implementation of the strategy and use the new approach to motivate and inspire staff and play to their expertise.
- Remember BOS does not rely on new technology. Opportunities exist in exploiting existing technology in new and innovative ways.
- You don't have to create a new industry. Ideas that already exist in the Red Ocean can often be exploited in new and innovative ways.
- Do not allow the current success of your competitors to influence your thinking. If you get it right you will eliminate your competition by changing oceans.
- Work up the costs and cashflows of everything in as much detail as possible.

QUESTIONS TO ASK

- Why are there no competitors in the Blue Ocean? What does this tell you?
- What's the organisation's attitude to change? Do I need to get some key stakeholders behind me before I even hint at my ideas in public?

THEORY 76 DISCOUNTED CASHFLOW (DCF)

Use when comparing future cash flows as to which option provides the greatest return at today's prices.

Inflation erodes the value of money overtime. The value of £1000 today is greater than in three years, by which time inflation will have reduced its purchasing power. This is why, when calculating the return on an investment, it's necessary to take this reduction in value into account to arrive at the Net Present Value (NPV) of the cashflows.

The table below shows the NPV of cashflows derived from the purchase of a new machine costing £10,000 which will be replaced in five years. The discount rate is set at the predicted inflation rate of 3.5% for each of the next 5 years.

Descriptor	FV	Discount Rate 3.5%	NPV
Additional profits in current year 1	3000		3000+
Year 2 profits	3000	96.5	2895+
Year 3 profits	3000	93.0	2790+
Year 4 profits	3000	89.5	2685+
Year 5 profits	1000	86.0	860+
Total DCF receipts	13 000		12 230+
Purchase price at NPV			10 000+
Excess of DCF receipts over cost of machine			2230+

On this basis, it's worth purchasing the machine as it will increase profits, at today's value, by £2230 over five years. However, if the chosen inflation rate proves to be understated the result can be rendered useless.

Most companies will also have a 'hurdle rate of return' which is the minimum annual return required from all investments. This percentage would be included in the discount rate.

DCF is a key financial tool when evaluating individual or competing investments.

HOW TO USE IT

- Normally DCF will be calculated by your accountant. Following discussions with you, they will use the following information in their calculations.
 - The cost of the investment, e.g. will the full cost be paid in year 1 or spread over the life of the asset?
 - Details of how you have estimated future cashflows.
 - Details of the minimum 'hurdle rate of return' that all investments are expected to achieve and the rate of inflation to be used.
- It should be obvious from the above that any DCF calculation contains a number of difficult to quantify variables. This has implications for the level of accuracy that can be achieved. Therefore use DCF as indicative of future returns and not a precise calculation.
- Where one or more projects are competing for limited resources DCF provides a means of comparing disparate proposals. All other things being equal, you would normally select the project or investment which shows the greatest excess of NPV over cost. However, you may reject that option in favour of a proposal that carries less risk.

QUESTIONS TO ASK

- How often do I ask the accountant for financial information?
- Do I need to build a better working relationship with the accountant who is a key gate keeper in my organisation?

A FINAL WORD ON STRATEGIC MANAGEMENT THEORIES

WHY TOWNSEND WAS CHOSEN AS KING

Managers are time poor and the advice given by Eisenhower on which decisions managers should delegate and where they should concentrate their energies was a strong contender for being crowned King. However, I settled on Townsend's Rules of Decision Making because they cover several important aspects of decision making, are easy to understand and apply, offer all managers reassurance by establishing realistic levels of performance and have proved to be effective in practice.

If you are still worried about the idea that a good manager only gets 33% of their decision right, consider the following. In baseball a great hitter aims for the magic 0.333 average. In other words they expect to miss two out of three pitches. The greatest goal scorer England ever had, Jimmy Greaves, said that a great striker scores one out of every four chances. Both functions require great skill, precision and **luck**. To be a consistently good decision maker you need to develop your skills, act with intelligence and hope that luck will be with you.

SECTION 10

HOW TO MANAGE QUALITY

INTRODUCTION

According to Phil Crosby, the study of quality has a lot in common with sex! Everyone wants more of it (under certain conditions); everyone believes they understand it (even if they can't explain it); everyone thinks they're good at it (another case of delusions of adequacy?); and of course we all believe that any problems are caused by other people.

It is difficult to have a meaningful discussion on sex, quality or any other complex subject until some basic assumptions are clarified. That is what this chapter is about. Read it and you will not only have a much better understanding of what quality is all about, but also some useful ideas that you can apply. Alas I can't claim that it will improve your sex life!

Ask a group of people to name a quality product and the likelihood is that they will mention Rolex, Rolls Royce or Prada. This is because there is a tendency to measure quality in terms of price and prestige. The implications of this are that most people, unable to afford such luxuries, are deprived of quality. Yet there are many mid-price quality products available such as Tissot watches and Skoda cars (once the byword for junk on wheels). What we have to do is measure quality not in terms of price or prestige but relative to fitness for purpose; does the product or service do what we want it to do and is it accessible in terms of price and availability?

I chose 1980 as the starting point for theories in this section because, despite earlier work by many writers, it was an interview with William Edwards Deming on NBC TV in 1980 that sparked off the so-called quality revolution. In the interview Deming was asked why America couldn't catch up with Japan in terms of manufacturing quality products. He warned the American public that he wasn't aware that Japan was waiting to be caught.

THEORY 77

DEMING'S SEVEN DEADLY DISEASES

Use this to diagnose the most likely disease that your organisation is suffering from.

The core of Deming's work is what he referred to as the Deadly Diseases that had infected western industry.

DEMING'S SEVEN DEADLY DISEASES ARE:

A lack of constancy of purpose, which creates organisations that have no long-range strategy for staying in business.

An emphasis on short-term profits, which undermines quality and productivity.

Evaluating performance by using merit rating or annual review systems, which nurtures inter-organisation rivalry and destroys teamwork.

Mobility of management, which leads to a lack of understanding about the organisation and a reluctance to follow through on long-term objectives.

Running the organisation on visible figures alone, which fails to recognise the importance of unknown and unknowable figures such as the 'multiplier' effect of a happy customer.

Excessive medical costs for employee health care, which leads to an increase in the final cost of goods or services (he was writing about the USA).

Excessive warranty costs arising from customer dissatisfaction with goods or services.

Deming argued that the above could only be tackled by effective management that demonstrated a commitment to quality, communicated the quality message to staff and recognised the need to create a belief in total quality management throughout its workforce.

HOW TO USE IT

- To tackle the seven deadly diseases develop a plan for where you want be in 3–5 years' time (see *Section 8*).
- Resist short-term thinking that might be advocated by others in the organisation. For example, reducing expenditure on training and development will boost profits in the short term. But where will that leave you 3 years down the line?
- Ask yourself, does our performance system reward outputs or outcomes? Outputs are what you produce, outcomes are how your customers feel about your product. There are many unknowable figures such as the 'multiplier' effect which occurs when a happy customer not only buys your product again but tells friends and family about it. Just because such figures are unknowable or can't be calculated, doesn't mean you can ignore them.
- As for job-hopping managers, don't worry about them. Within every organisation there are a group of managers who are committed to the organisation. They are the middle managers who know that the grass isn't always greener elsewhere. They can deliver the organisation's long-term plans provided they are given the opportunity and not treated as dinosaurs by management.
- The final two diseases have been made worse by the litigious society which believes if there's blame there's a claim. Protect your staff, the organisation and yourself by eliminating the cause of legal claims and remove the causes of complaints by producing high-quality goods that are fit for purpose.

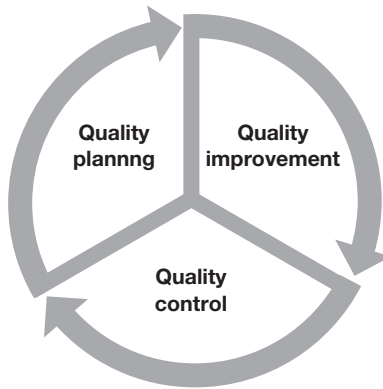
QUESTIONS TO ASK

- Is my organisation infected by one of the diseases?
- Do I see the cure as everyone's responsibility or restricted to the quality control team?

THEORY 78 JURAN'S QUALITY TRILOGY

Use to avoid losing customers because of poor quality.

Joe Juran is one of the founding fathers of Total Quality Management (TQM). He was an early proponent of benchmarking and quality costing and helped popularise the Pareto Principle (see *Theory 91*). He is best remembered for developing the quality trilogy, which is composed of three managerial processes.



Quality planning identifies who the organisation's customers are and determines their needs. This information is then used to create processes that can produce the product or service that fully satisfies the customer's needs.

Quality improvement involves establishing the infrastructure needed for quality improvement. The first step is to identify the key 'production workers' and provide them with the resources, training and motivation required to be effective/successful.

Quality control measures quality performance against expectations, identifying where the gaps are and acting to rectify any deficiencies.

Juran considered that management were the cause of most quality-related problems. He cited their failure to identify the needs of customers (see *Theory 80*) and not having the right people and processes in place to meet these needs even when they are identified as the source of most quality problems.

HOW TO USE IT

- Collect data on which activities cause problems, then analyse the activity to identify the root cause of the problem. It's uncanny how often Pareto's 80–20 rule applies (see *Theory 91*). You will find that 80% of your quality-related problems can be attributed to around 20% of your organisation's activities.
- Pull together a quality team (sometimes referred to as Forums or Circles) (see *Section 5*) that will drive your quality improvement programme forward. Choose people who are enthusiastic about improving quality.
- Remember that although you may be the one who is the driving force behind the quality improvement project, quality is an organisation-wide issue and it's unlikely that you can tackle the problem without support from other managers – build alliances (see *Theories 60 and 65*).
- Provide the team with the resources, training and skills they need to do the job (see *Section 5*). Resourcing quality improvement programmes can be expensive but the alternative is a reputation for poor quality, lost orders and complaints.
- Talk to your customers about what they expect from your products/services. Are you meeting or, as Peters and Waterman suggest, exceeding their expectations (see *Theory 80*)? If not, find out why?
- Celebrate successes, no matter how small. The cumulative impact of many small improvements can be significant and will generate enthusiasm for further improvements (see *Theory 82*).

QUESTIONS TO ASK

- Have I got any quality champions within my team?
- Have I built alliances with other managers across the organisation as a prelude to implementing a quality programme?

THEORY 79

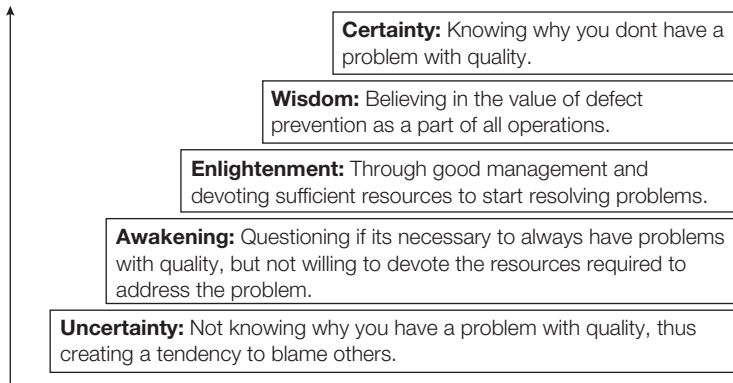
CROSBY'S MATURITY GRID
(CROWN AS KING)

Use to understand the stages you and your team need to go through to establish a quality programme.

In *Quality is Free*, Phil Crosby discussed the costs, in terms of warranty claims and poor public relations, to organisations of providing poor-quality goods. He argued that an organisation that established a quality programme would make savings that would more than cover the cost of any such programme.

Underpinning Crosby's belief was the principle of 'do it right the first time', which he felt was only achieved when an organisation reached a level of operational maturity. To achieve maturity organisations/individuals go through five stages.

Wisdom and certainty



Ignorance and uncertainty

Source: Adapted from Crosby, P. B., *Quality is Free: The Art of Making Quality Certain* (McGraw-Hill, 1978).

HOW TO USE IT

- Build alliances with other managers who are interested in improving quality.
- Take stock of where you are and get as many people as possible in your team/organisation to complete the Maturity Grid in *Quality is Free* or online.
- Don't be surprised if the general view is that you are in the early stages of maturity. Moving from unconscious incompetence (doing things wrong and not knowing it) to conscious incompetence (still doing things wrong but knowing it) is the first step that you and your staff need to take. The second and third steps are to accept that most things don't work as they are supposed to and that problems breed problems. It is only when everyone accepts the reality of the situation that you can deal with the problem.
- Before you can eradicate any problem it's essential that you accurately identify the cause of the problem (see *Theory 81*). It only takes one bit of bad data to compromise the integrity of the whole procedure, so check and verify all data as you receive it.
- Don't rely on just statistical data in your analysis. Find out how people feel about the problem.
- Only when you fully understand the problem, and have the resources to solve it, should you take action.
- Define your customer's requirements, agree performance standards in advance and then let nothing stand in your way as you deliver them.
- Once the new system is installed, monitor the level of complaints and adjust the system as required.

QUESTIONS TO ASK

- Does my team see quality improvement as a significant issue?
- Does my team see quality improvement as a one-off task or a continuous process?

THEORY 80

PETERS, WATERMAN AND
AUSTIN'S EXCELLENCE MODEL

Use this model to identify the features of an excellent organisation.

Tom Peters, Bob Waterman and Nancy Austin identified concern with the production of quality products as a fundamental feature of excellent companies.

THE EIGHT PREREQUISITES THAT ARE ESSENTIAL FOR MANAGING QUALITY ARE:

A bias for action: Encourage active decision making using cross-functional teams that include staff, customers and suppliers.

Staying close to the customer: An ability to identify what your customers want.

Autonomy and entrepreneurship: A willingness to foster innovation and nurture 'quality champions' throughout the organisation.

Productivity through people: A willingness to treat all employees as a source of quality and to respect, involve and empower them.

Hands-on, value-driven: Management should show its commitment to quality at all times and adopt a management philosophy that reflects this.

Stick to the knitting: Stay close to the business that the organisation knows about and has expertise in.

Simple form, lean staff: Develop simple organisational structures with a minimum of senior staff.

Simultaneous loose-tight properties: Allow self-governing, free-flowing organisation forms with risk taking (the loose) combined with meeting targets and protecting core values (the tight) as a prerequisite.

In 1985, Peters and Austin summarised their thinking on excellence as a concern for customers, a willingness to innovate, a well-motivated staff and a management and leadership consumed with a passion for excellence.

HOW TO USE IT

- Listen to your customers. Get to know them and what they want. Be sensitive to their changing needs and seek to deliver what they want before they even ask for it.
- Establish a cross-functional team with representatives from staff, customers and suppliers to examine how your service to customers can be improved.
- Remember your customers may be internal or external.
- Support innovation and enterprise in the organisation. Identify and nurture those people who have a passion for excellence and want to improve quality throughout the organisation.
- See all employees as a potential source of quality and unlike the typical hard-nosed task-centred manager (see *Theories 12 and 13*) treat them with respect. Involve them in decision making and empower them to do their job. Do this, and productivity and quality will improve.
- Show your commitment to quality at all times and adopt a management philosophy that reflects this. Be a 'hands-on boss' not an 'absent landlord' (see *Theories 17–19*).
- To get the most from staff encourage them to use their discretion within clearly defined parameters. Provided they act in good faith never criticise staff for trying and failing.
- Stick to what you know best.
- Keep organisational structures and systems simple. It's complexity that causes cock-ups.
- Allow staff to exercise their discretion within wide but clearly defined bounds.

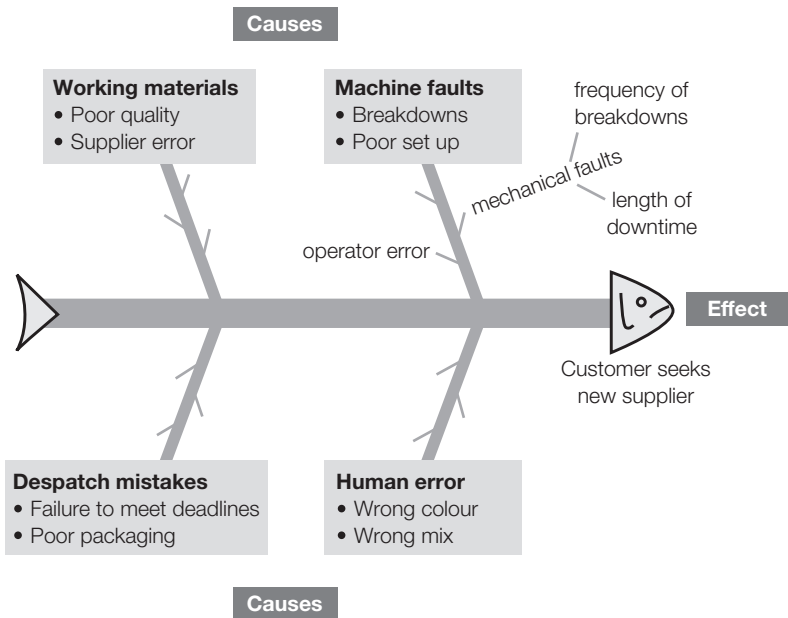
QUESTIONS TO ASK

- Who are my customers?
- What are their true needs and expectations?

THEORY 81 ISHIKAWA'S FISHBONE MODEL

Use to analyse the cause and effect of problems.

Kaoru Ishikawa argues that it's important to explore all of the things that could cause a quality problem before you start to think about a solution. His fishbone model, developed in 1990, is a way of analysing cause and effect and can be summarised as follows:



Source: Adapted from Ishikawa, K., *Guide to Quality Control (2nd edn)* (Asian Productivity Organisation, 1986).

The model is a bit like a mind map and is used to represent the problem and its causes diagrammatically. The difference with Ishikawa's model and more conventional mind maps is that the process is linear (better for logical thinkers).

HOW TO USE IT

- Identify and define your problem. Write it in the box at the right-hand side of the page (you can draw the box as a fish's head if you are really keen on the symbolism). Then add the central spine of the fish.
- Work out the major factors involved in the problem. Use brainstorming to identify as many relevant factors as you and your team can think of (*see Theory 67*). These factors are the 'large bones' running off the fish's spine (the ones you can choke on if you're not careful; see diagram).
- Analyse each problem ('big bone') and identify as many possible causes as possible. Connect these causes to the appropriate large bone as a series of 'medium-sized bones' (see diagram for start of analysis of machine faults).
- Analyse the results and investigate further. For complex causes you may have to attach 'small bones' to the medium-sized bones as your analysis of the problem delves deeper.
- When complete don't sit back and admire your artwork – do whatever it takes to test and identify which of the possible causes is actually contributing to each problem. When you know what the real problem is identify and implement a workable solution.
- The process isn't as complicated as it looks. Try it out on a work problem that you have already solved. I'll bet it throws up new factors that you didn't previously identify.

QUESTION TO ASK

- Do I have the detailed knowledge required to identify the factors and sub-factors that might be causing the problem/s?
- If not, who can help me?

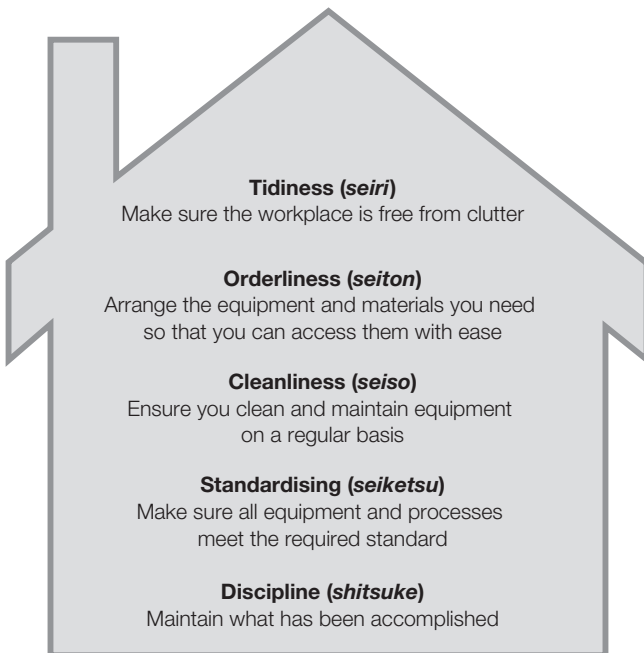
THEORY 82

IMAI'S KAIZEN 5S HOUSEKEEPING THEORY

Use this to appreciate the impact that very small-scale changes can have on quality.

Although Kaizen is a Japanese philosophy meaning change (*kai*) and to become good (*zen*), it was the work of Masaaki Imai in the 1980s and 1990s that reinterpreted and popularised the philosophy in terms of management theory.

Imai suggests that Kaizen is a continuous improvement process that relies on teamwork, personal discipline, good morale, quality forums and suggestions for improvement. Much of what he has to say can be described as a plea for good housekeeping.



Kaizen relies on incremental rather than abrupt change and the belief that all employees recognise that it's in their interests to produce high-quality goods and services. This is achieved by the elimination of waste and inefficiency (*muda*) throughout the organisation.

HOW TO USE IT

- Zen is all about simplicity and so is this theory. Read the theory again and you will see that there is nothing here that requires further advice from me. But just like Zen, to master the simple principles you need steady determination, self-discipline and consistency of purpose.
- With Kaizen you must walk the talk and provide a role model for all your staff. After all, you can't demand that they keep their work areas tidy, and avoid accidents, if your office looks like a tip.
- Remember, Kaizen is not about improving one aspect of your team's activity by 10%; it aims to improve each activity by 1%. The sum of these minor improvements will be huge in terms of quality and the pride your team takes in its work.
- If you decide to adopt Kaizen start by doing a bit of Management by Walking About (*see Theory 7*). Spend time on the shop floor or in reception to get an idea of how time, effort and resources are utilised. What you're looking for are small incremental improvements that you can implement easily and which will improve quality. You should also look out for good practices that you can spread across the organisation.
- To help maintain the flow of ideas encourage staff to submit their ideas for improvements. Acknowledge and reward all suggestions made, even those you don't use.

QUESTIONS TO ASK

- Do I have the self-discipline to implement Kaizen and continue the programme indefinitely?
- How can I convince staff that by improving each activity by 1% the aggregate effect on quality will be huge?

THEORY 83 THE BENCHMARKING MATRIX

Use this as a framework to identify internal and external best practices that you can use in your setting.

Benchmarking is a concept introduced by Frederick Taylor (*see Theory 2*) at the start of the twentieth century. He identified excellent performers by putting a chalk mark on their benches. This indicated to staff whose output or working practices they should emulate. This rather crude method of quality management has been refined over the past 100 years and is now a sophisticated tool used by many organisations.

	Product/Services	Function/Processes
Internal	A comparative analysis of the products and services produced or provided by different departments in the organisation	A comparative analysis of the functions and processes undertaken by different departments in the organisation
External	A comparative analysis of the products and services produced internally with those that exist in other organisations	A comparative analysis of the functions and processes undertaken in the organisation with those that exist in other organisations

Note: When undertaking external comparisons it is not necessary for the organisation to compare itself with other organisations in the same sector. For example, banks may learn a lot about the management of queues by comparing their practices with what goes on in supermarkets and fast food outlets.

HOW TO USE IT

The key to any benchmarking process is understanding where you are on the journey to excellence (use theories 77–79 to identify your position), and making sure that you go through the following four-stage cycle:

- 1 **The planning stage** is the most important and time-consuming activity in the model. Find out which subject areas are most important to your organisation. Which activities within each area need to be benchmarked? What's the best way to collect data on each activity? Who are the best practitioners of each activity?
- 2 **The doing stage** is where you start to experiment. Agree with your benchmarking partners the scope of the study and any ethical issues that may arise. Choose the most appropriate people to undertake the study and ensure that the organisation, at all levels, is committed to the project (see *Theories 60 and 65*).
- 3 **The checking stage** is where you start to analyse the data and determine any gaps in quality. Use Ishikawa's fishbone model (see *Theory 81*) to identify the reasons for the gaps in performance and only then decide what action is required.
- 4 **The final stage** is where you take action. Involve everyone who has a stake in the changes, monitor the progress of the initiative and revise your strategy if necessary (see *Section 7*). Use SMART targets (see *Theory 97*) to monitor progress.

QUESTIONS TO ASK

- How am I going to collect data from external organisations?
- Am I prepared to deal with all the findings from the exercise?

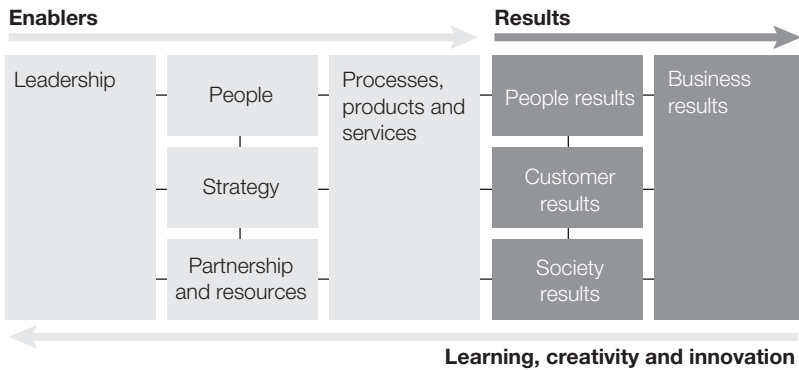
THEORY 84 THE EXCELLENCE MODEL

Use this as a means of promoting awareness of, and action to improve, performance in all aspects of the organisation.

Malcolm Baldrige was the driving force behind the use of the Excellence Model as a means of promoting quality awareness in organisations. Baldrige's work was influential in America and it was the European Foundation for Quality Management (EFQM) that adapted and adopted his model for use in Europe.

The EFQM Excellence Model is underpinned by nine fundamental concepts that are divided into five enablers and four results:

- **The enablers** are the activities that the organisation must do well to be recognised as excellent.
- **The results** are the measures used to assess the impact of the above activities.



Source: Adapted from the European Foundation for Quality Management, copyright © EFQM 2012 Excellence Model, Brussels, Belgium, www.efqm.org

Although the EFQM does attach an award to the Excellence Model for organisations that want such recognition, application of the model is often used as a self-assessment tool for grading how an organisation is performing in each of the enabler and result areas.

HOW TO USE IT

- Complete the online questionnaire available through the EFQM website. Grade your organisation/team against each of the nine categories. There are some helpful descriptors to help you grade each category.
- If possible get a cross-section of your organisation/team to complete the questionnaire or better still everyone in your organisation.
- Total up the scores and work out the average score across the organisation. Don't be alarmed if you only score 350 out of a possible 900. This is par for the course first time up. Of course 350 or less won't do in the long run. If you are a large organisation you may need to appoint someone to act as a quality champion. If you just did it for your team or department you may end up doing the entire job yourself.
- Focus on the better scoring categories first to see if some quick wins can be achieved. Then work towards the categories where there is greater scope for improvement. Keep returning to the questionnaire and measuring what improvements have been made.
- Remember, this is a self-assessment process; therefore your assumptions and impressions have to be tested. Get someone impartial to look at your assessment of what is going on and to challenge your analysis.

QUESTIONS TO ASK

- Would going for the EFQM award motivate me and my team more than just using the process to improve performance?
- Once the aims of the initial project have been met, how am I going to monitor, maintain and improve performance in the future?

A FINAL WORD ON QUALITY MANAGEMENT THEORIES

WHY CROSBY WAS CROWNED KING

No one can doubt what Deming did to help restore Japan's industry. If his theories had the same quality as his practice, there would be no competition. Sadly, they lack some of the appeal that Crosby's maturity grid has. Crosby's simple, but profound, insight that quality is free gives him the edge.

The common thread that runs through most quality theories is the need for all stakeholders in the organisation to do everything possible to improve the quality of products, services and procedures in the organisation. This can be summed up by a desire to 'do things right first time every time'. To achieve this you must remember that quality improvement is an organisation-wide issue. It's not something that can survive long as a pocket of excellence in an otherwise hostile environment. So, before you embark on a quality programme, get all the senior managers on board first. Sell the programme by showing that the cost of doing things right first time is always less than the expense of trying to correct errors later.

Explore all of the causes of existing problems before you even start to think about a solution. As you begin, remember to go for small incremental improvements rather than massive abrupt changes. It's a lot easier to improve ten processes by 1% each than one process by 10%. Always celebrate your successes. This will motivate staff and help win over doubters. But don't just focus on short-term gains, think long term and with the help of frontline staff identify what your customers expect. Then work out how to exceed their expectations.

Use both internal and external comparisons of products/services and functions/processes as benchmarks and don't be shy about pinching (I should say adapting and adopting) good ideas wherever you find them.

Never fool yourself into believing that you are better than you really are. To avoid painting too rosy a picture, never base your calculations upon untested assumptions. Either independently verify the data or ditch it.

If you embark on a quality improvement programme you have to realise you are in it for the long haul. One managing director of a Black Country Engineering company told me how he spent over two years pushing TQM before he saw any real change in the staff attitude. 'But', he said, 'I knew I had them when one morning they came in and switched on the machines before they put the kettle on'. On such signs is success built.

SECTION 11

HOW TO EXERCISE AUTHORITY, POWER AND INFLUENCE

INTRODUCTION

All managers should be interested in understanding what authority, power and influence (API) they have, its limits and its nature.

Many managers, especially those that have been newly promoted or appointed from outside the organisation, are reluctant to exercise the API they have. Don't fall into this trap. As a manager you are given a certain level of authority and power and you are expected to use it. If you don't, you'll be written off by colleagues as someone who doesn't have the 'right stuff' to manage and be walked on by your staff.

The general advice given to military officers and teachers regarding the exercise of their power and authority is the same. Go in hard at first and make a statement about who's in charge. Of course, what is considered hard is context specific and I don't suggest that you have your staff double-timing around the car park on your first day (maybe you could keep that for the second day). It's always easier to row back from this position once you find your feet than to go in too soft and then try to ratchet up your level of control. Remember you are a manager and your job is to get results, not to win popularity contests. Although this doesn't mean that you can't have a good relationship with your staff.

President Truman's advice to would-be leaders was 'walk softly and carry a big stick'. That's not bad advice for managers.

If authority and power are the karate of martial arts, influence is the Tai Chi. Influence is soft power and is concerned with persuasion. It relies on how much the person you are seeking to persuade respects and trusts you and your opinions. So if you wish to exercise influence, say over your boss, you need to first establish your credibility with them.

What follows is an introduction to this fascinating area and I'd urge you to do some additional reading around the subject.

THEORY 85

WEBER'S TRIPARTITE
CLASSIFICATION OF AUTHORITY

Use to identify the different forms of authority that are available to you as a manager.

Max Weber identified three sources of authority or power. These were charismatic, traditional and legal-rational.



- **Charismatic** authority is defined by Weber as an 'extraordinary and personal gift of grace' (charisma) given only to a few. Staff are drawn to charismatic managers and believe that they are highly capable, have special abilities and can be trusted to deliver on their promises.
- **Traditional** authority or power is based on inheritance. It can be held by individuals, families, elites and groups and is passed from one generation to the next. For example, the power and status inherent in royal families is passed on through the line of succession.
- **Legal-rational** authority is the power that comes with a particular office. The office holder can exercise all the powers of that office until such time as they leave the post. For example, the Sales Director has the rational authority to direct all sales staff for as long as s/he holds that post.

The classic example of these three types of authority is taken from the Catholic Church. Christ, the head of the church, is charismatic. Catholic priests on ordination acquire traditional power over the laity and the Pope exercises legal-rational power over the entire church.

HOW TO USE IT

- Identify the level of authority you have under each heading.
- According to Weber charismatic authority is possessed by only a few. But before you decide that you lack charisma revisit *Theory 16*.
- Traditional authority is based on shared allegiance. If you are an outsider working in a family-owned business your opportunities for promotion to a senior position are limited unless you are willing to marry into the family. To fulfil your ambitions you may have to leave. But before you jump ship remember that traditional authority can exist in any organisation where the elite are united by shared histories of public school, university, the military or any one of 100 other experiences.
- As a manager, you automatically have some legal-rational authority and people expect you to use it. Don't disappoint them.
- Typically most readers of this book will have little or no traditional power, some charismatic power and, depending on your seniority, a significant amount of legal-rational power.
- Work on increasing your charismatic power (see *Theory 16*).
- Identify the extent of your legal-rational power and be willing to use it. Too often managers fail to use the power they have because they are embarrassed telling people what to do. You must banish such conceits. Management is hard enough without you refusing to use all the tools available to you.

QUESTIONS TO ASK

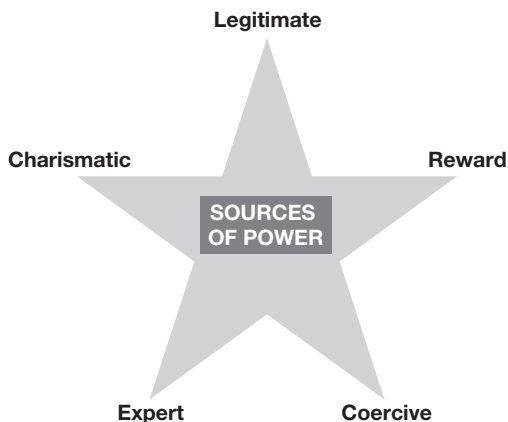
- What are the limits of my legal-rational power?
- What elements of charismatic power (honesty, integrity, loyalty) do I possess?

THEORY 86

FRENCH AND RAVEN'S SOURCES OF POWER THEORY (CROWN AS KING)

Use as a checklist to identify the sources of power available to you.

There are numerous models of power. One of the most compelling was outlined by French and Raven in 1959. They identified five sources of power that a person, real or corporate, can call upon to encourage or compel compliance.



Legitimate: Where the person's position carries with it a reasonable expectation that staff will follow their directions.

Reward: The capacity to grant or withhold financial and non-financial rewards to people.

Coercive: The capacity to impose sanctions or punishments on another person or group.

Expert: Where an individual's expertise in a particular area means that others are willing to follow their advice/instructions. This power only exists for as long as that person's expertise is required.

Charismatic: The ability to command compliance by example or force of personality.

French and Ravens went further than just listing the sources of power. Their greatest insight into the nature of power was their claim that when a leader

could combine two or more sources of power then synergy occurred. For example, if they possessed legitimate power at say level 2 and charismatic power at level 3 then their combined power was not five but six. A case of $2 + 3 = 6$. It's therefore essential that a leader seeks to maximise every source of power at their disposal.

HOW TO USE IT

- As a manager you hold a position of authority. Identify the limits of that authority. Act with confidence when you exercise authority and expect staff to comply (*see Theory 11*) with your legitimate requests. Expect compliance and enforce it.
- Identify the range of rewards you can offer staff and remember they need not be financial. Public recognition or a new desk may mean more to a person than promotion or a pay rise (*see Theory 26*). Always deliver on any promises you make.
- Identify the limits of your coercive power. Never use coercive power to bully people but it is perfectly legitimate to pick up on poor performance and apply a suitable sanction. Staff are often unaware that they are under-performing. An unofficial chat can often negate the need for more formal action.
- Identify what, if any, expert power you have. If you have a professional qualification you have a degree of expert power. Gain specialist knowledge in one or more hot areas of your discipline and use it in your organisation.
- Alas, few of us can match the charisma of your average Hollywood superstar. But charisma is in the eye of the beholder. So think about how you appear to your staff. Act with confidence and integrity and provide them with a vision they can buy into (*see Theories 16–19*) and they will think you have charisma, just not as much as a superstar!
- Accumulate as many sources of power as possible because when two or more sources are combined synergy occurs. A case of $2 + 2 = 5$.

QUESTIONS TO ASK

- What sources of power do I have access to?
- Who in my organisation exercises power? What can I learn from them?

THEORY 87

MACHIAVELLI'S GUIDE TO SURVIVAL

Use to protect yourself against Machiavellian colleagues and bosses.

Out of work and looking for a job, Machiavelli penned a job application to the Magnificent Lorenzo de Medici. In the history of the world it was one of the better job applications and was later published as *The Prince*.

MACHIAVELLI'S SURVIVAL GUIDE FOR LEADERS PROVIDES A WIDE RANGE OF ADVICE INCLUDING:

Leaders must deal with the reality that confronts them, not the reality they wish existed.

Leaders must never rest on their laurels. Instead they should use quiet periods to plan their future strategy.

It's safer to trust an old enemy than an old friend because the enemy will be grateful and constantly seek to demonstrate their loyalty.

An act is virtuous if it achieves its aim – a case of the ends justifying the means.

To avoid future conflict a new leader must destroy the remnants of the old regime completely.

Those who help a leader achieve power often become a threat because they believe that the leader is indebted to them. They must be eliminated.

Leaders should eliminate any threat to their position before it has a chance to grow.

It's better for a leader to be feared than loved as the fear of retribution buys more loyalty than love ever can.

HOW TO USE IT

- In applying this entry I don't suggest that you buy a white Persian cat which you stroke languidly while interrogating your staff. Rather, use Machiavelli's ideas as a defence against conspirators, psychopaths and Machiavellian bosses and colleagues.
- As a manager never fool yourself, or allow anyone else to mislead you, about the reality of the situation you face. Only by confronting reality can you deal with the present and plan for the future.
- Never rest on your laurels. Use downtime to search for potential threats and opportunities and devise a strategy for dealing with them should they occur (see *Theories 67–70*).
- As an employee protect yourself against managers who believe that the ends justify the means. They are unlikely to shy away from disposing of you if it suits their purpose. Remember it's better to be useful to a Machiavellian manager than to be their friend.
- Many new senior managers change their management team within a year of appointment as a way of stamping their authority on the organisation and staff. If you think this may happen prepare an escape route just in case you need it.
- Anyone you helped reach a position of authority may see you as a threat. If this is a possibility make yourself useful to them or plan your escape.
- Avoid investing your work with too much emotional significance (feeling of belonging, status, worth). Corporate organisations have no such feelings. Their contract with you is based on a business transaction and if they need to let you go they will. Recognise this and rethink your relationship with work and you will never be disappointed or surprised by how you are treated.

QUESTIONS TO ASK

- How can I recognise a Machiavellian manager?
- What's my strategy for dealing with Machiavellian managers?

THEORY 88

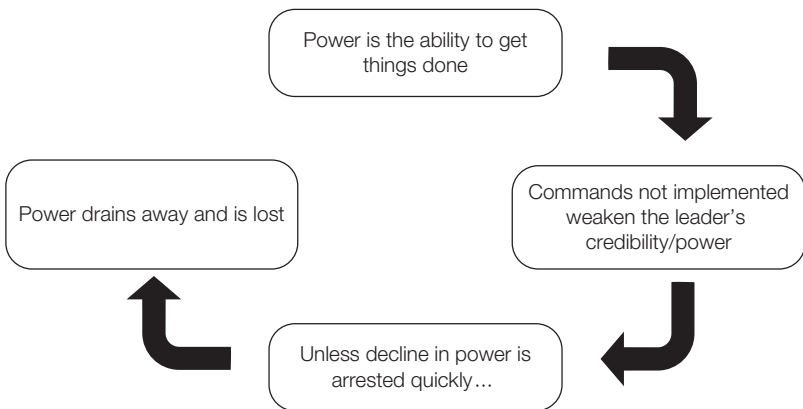
SOPHOCLES ON HOW TO LOSE POWER

Use to remind you how easy it is to lose power because of your own actions.

Rosabeth Moss Kanter (1943–), professor of business at Harvard Business School, is perhaps best known for her work on change management. Change invariably means altering what is currently in existence and to do that you need power. She defined power as, ‘The ability to get things done’.

The great Greek playwright Sophocles provides a counterpoint to the above quotation with his statement that a leader should ‘Never command what you cannot enforce’.

The connection between these two ideas is clear:



WHAT TO DO

- If you issue an instruction and then find you can't enforce your wishes you will lose power. An inability to command compliance destroys a person's power almost as quickly as a successful coup. It must be avoided at all costs so only fight the fights you can win.
- If power is the ability to get things done then refusing to do anything with your power is perhaps the second quickest way to lose it. As a manager you have certain sources of power (see *Theories 85–86*) but if you never exercise it, it becomes dulled and blunt. You need to use it regularly if it is to be kept sharp.

- From the moment you are appointed to a particular position demonstrate your power. People will be looking to see what you do. They will quickly make judgements about you and even if wrong they will hamper you while you address the misconceptions. One way to avoid this is to do something to announce your arrival. What that might be will depend on the sources of power you can call upon (see *Theory 86*) and your position in the organisation. But don't announce, emphasise or dwell on whatever you do. The more effortless your action seems the more impact it will have on people.
- Many people in Great Britain find it difficult and embarrassing to tell people what to do. It's not part of their upbringing or social culture. Get over it! Management is hard enough without tying one hand behind your back. Power is one of the most effective weapons that you have in your arsenal. It should not be your weapon of first choice but when all else fails you must be willing to use it to compel compliance with your directions. You'll find this incredibly difficult to do unless you regularly exercise the powers you have.
- Don't resort to coercive power as your first choice if an instruction is ignored. To use coercion too early actually undermines your credibility with staff and colleagues. Think of coercion as your nuclear option and only use as a last resort – but always be willing to use it if all else fails.
- If it's just one person that opposes you deal with them behind closed doors. If a group, led by one person that opposes you, deal with the leader in front of the group. Nasty, maybe. Effective, definitely.

QUESTIONS TO ASK

- Do I have a problem giving orders and enforcing compliance?
- Is there any particular person or group that oppose my instruction? How can I neutralise them?

THEORY 89

HANDY NEGATIVE POWER

Use it only in extreme circumstances but always be on the lookout for it from unhappy staff.

Charles Handy (1932–) is an Irish author/philosopher who specialises in management and organisational behaviour. He is perhaps best known for his book on organisational culture *The Gods of Management*. He has also written about the concept of negative power which can be defined as:

‘A person’s ability to stop things happening’.

Usually negative power is associated with those who have very little power. For example in the 1960s/70s if you were working ‘on the track’ screwing a bolt onto a car as it slowly moved passed your station you had virtually no power in the organisation. But, if you dropped a spanner in the works then 20 meters down the line the entire track would grind to a halt, production would be halted for a couple of hours and thousands of pounds lost. That’s negative power in action!

WHAT TO DO

- As a manager you have the ability to slow down or stop things happening. You can sit on suggestions, proposals and plans. You can block whoever is seeking to inaugurate a change. However, do this too often and you’ll quickly come to be seen as part of the problem and not part of the solution. Therefore it’s a power that you should only use occasionally and then only when you honestly believe it’s in the best interests of the organisation.
- Never use your negative power for your own benefit or that of your team. As a manager, your loyalty must be to the organisation. You should always seek to do what’s in its best interests not your own. If you make sub-optimal decisions in your own favour you damage the organisation and help undermine its long-term future.
- If you do exercise negative power seek to disguise your involvement in its use. Much like the worker on the track, when you throw a spanner in the works you want the holdup to occur as far away from you as possible.

- As a manager you possess a certain amount of power and influence. This provides you with other ways to challenge decisions and policies. Therefore, the number of times you have to revert to using negative power is likely to be limited. Not so your staff. Often they can feel powerless and marginalised. To stop them exercising their negative power:
 - Talk to them regularly about the problems they face at work, their ideas for improving procedures and process and their aims and ambitions (see *Theories 7 and 26*).
 - Use Herzberg's motivational and hygiene theory as the basis for your staff motivation strategy (see *Theory 26*). This will ensure that staff enjoy a level of autonomy in how they do their job and provide a degree of recognition when they perform well. Both of these factors will combat people's feelings of helplessness and lack of control over their working environment which lie at the base of most acts of negative power.
- When a case of negative power arises, identify its source. Unless it is a grave matter seek to resolve it through discussion before resorting to the disciplinary process. But tell Human Resources what you are planning to do. Use Thomas and Kilmann's conflict resolution model (see *Theory 92*) to identify the root cause of the problem and then move onto how the causes can be eliminated.
- If agreement can't be reached then you may have to use coercive power (see *Theory 15*) in the form of disciplinary proceedings to resolve the issue. If you have already told Human Resources about the problem they will be in a better position to guide you in what follows.
- Never allow a challenge to your authority to go unanswered. As suggested in *Theory 88* above, if it's just one person that opposes you, deal with them behind closed doors. If that one person is leading a group, then you need to make an example of that person. This is most effective when done in front of the group they lead.

QUESTIONS TO ASK

- What negative power do I have? Under what circumstances would I be willing to use it?
- Has any member of my staff used negative power against me or my team? If so what did I do about it?

THEORY 90

SOURCES OF INFLUENCE

Use to help you develop your strategy for exercising influence.

Influence differs from power in that it seeks to persuade, not compel, people to comply with your requests. With power you can force people to follow your orders, but it's not a recipe for a happy team. Managers need to master the softer arts of influence and persuasion.

Writers, psychologists and management gurus have identified various sources of influence or strategies that managers can use. Below are seven that appear in many lists.

SOURCES OF INFLUENCE INCLUDE:

Let people believe that you are just like them. People respond more positively to those they think share their views and beliefs.

Make people feel comfortable. Use active listening – repeating back to someone what they have said demonstrates that you are listening (*see Theory 7*).

Find out what motivates the person and supply it (*see Section 3*).

Allow the person to play some part in any decision-making process that affects them – even if it's only minor.

Highlight how special and unique the offer is that you are making to the person.

Remember the value of reciprocity and exchange favours.

People are impressed by displays of expert knowledge so find ways to demonstrate your knowledge, without showing off.

HOW TO USE IT (1) – INFLUENCING AN INTERVIEW PANEL

- First impressions count. In order to survive, our ancestors had to make instantaneous judgements about strangers they came across in a jungle clearing. The only information our ancestors had was how the person looked. The more they were like them, the safer they felt. That trait has stayed with us. Interviews are won and lost in the first 90 seconds. Find out the organisation's dress code in advance and arrive suitably attired.

- Find out what the organisation is looking for. Check the advert, job description, person specification, website and talk to anyone you know who works there. Having identified the traits and skills required demonstrate them in the interview and the rest of the selection process (see *Theory 11*).
- If you look uncomfortable and nervous the panel will pick up on it. Relax and smile (but not like a deranged serial killer) and be approachable. Remember, it's how you are perceived that's important not how you feel (see *Theories 11 and 16–19*).
- People want what they can't have. Think of the interview as a first date. Put your best attributes on show, but make it clear that you possess other assets as well. Convince the panel that your unique talents won't be found in any other candidate.
- People are impressed by expert knowledge especially when it's unexpected. The best way to demonstrate this is to do your homework about the organisation and ask one or two searching questions about its operations.

QUESTIONS TO ASK

- Who is going to be on the interview panel? What can I find out about them from friends, contacts or via the internet/social media such as LinkedIn?
- Based on what I know about the interviewers, what characteristics should I emphasise/minimise?

HOW TO USE IT (2) – INFLUENCING YOUR BOSS

- You can also use the sources of influence listed above with your boss. But you need to change your tactics and remember that they may know more about power and influence than you do. So be subtle.
- Don't try and imitate your boss – it will only annoy them.
- Your boss will value specific jobs or functions that you perform more highly than others. Find out which these are and make sure you deliver them to a high standard
- Don't present your boss with a major change or initiative out of the blue. Keep them informed about anything you are working on, ask their advice – even if you don't need it – and keep them in the loop.

- Become invaluable to your boss. Often senior managers don't like getting involved in the detail. Identify an area of work that your boss is weak in and become the house expert on that issue. Brief your manager in a language they understand but never let on that you know more than they do.
- Be willing to exchange favours with your boss, but don't let this become a one-way route. If they want something, make sure you get something in return. No one likes a lickspittle.
- Listen to your boss even if they bore you about their wonderful shot to the fifteenth green. People like people who are interested in them.
- Be willing to take on any good ideas and suggestions made by your boss but critically evaluate each suggestion. If you need to challenge their proposals present your objections, in private, as a series of alternative approaches for discussion rather than a direct challenge.

QUESTIONS TO ASK

- What beliefs, common experiences, interests or traits do you share with your boss? How can you use these to your advantage?
- What traits in staff does your boss most admire/look for?

HOW TO USE IT (3) – INFLUENCING YOUR STAFF

- If you use power to compel your team to complete a task they will say that 'The boss made us do it'; if you use influence they will say 'We did it'. Only use power if influence fails.
- Lay the groundwork for using influence by establishing good working relationships with your staff (*see Theories 7 and 26*).
- Identify those things that you have in common with your staff. These may be a love of football or films, brought up in the same area, went to similar schools, shared training experiences etc.
- Show an interest in the opinions and views of staff and praise their insights.
- Let staff play some part in any decision-making process that affects them, even if this just involves leading them through the decision-making process that you followed and asking them for their opinions at each stage (*see Theory 26*).
- You should know what motivates your staff (*see Section 3*). Use this knowledge to present your case in the form that will be most attractive to them.

- Explain how important their acceptance of the idea is to you and how special and unique the offer is that you are making to them.
- Use any status that you have as an expert to sway their thinking.
- Remember you will achieve greater success if you offer the person a win–win solution (see *Theories 31 and 92*) and there is nothing unethical in using a bit of transactional leadership to get someone onside (see *Theory 15*) or creating an in-group you can rely on for support (see *Theory 20*).

QUESTIONS TO ASK

- What leverage/approach can I use with each member of staff?
- Are there specific individuals whom I need to get on board?

A FINAL WORD ON AUTHORITY, POWER AND INFLUENCE THEORIES

WHY FRENCH AND RAVENS WERE CROWNED AS KINGS

Other writers have examined the sources of power and produced much longer tracts on the subject. They have examined the nature of power, how you get it, how you keep it and how it can be lost. But none have been as succinct as French and Ravens or identified so clearly how synergy occurs when you can access power from a variety of sources. The identification of synergy more than any other factor makes this theory a worthy recipient of the title of king.

In everyday situations most British people are fairly diffident. They don't like telling other people what to do or barking orders. They are terrified that if they do tell someone what to do the other person will turn around and say 'Who put you in charge?' Such a retort would be very embarrassing, and as we all know social embarrassment is worse than physical injury to most British people. So people hesitate to take control and as time passes the harder it becomes for them to throw off their learned behaviour and tell someone what to do.

As a manager you can't be diffident. You are paid to exercise control and direction over your staff (*see Theories 1 and 4*) regardless of how you are feeling. Therefore you have to tell people what to do, even if that means challenging years of learned behaviour and socialisation. As a manager you have a certain level of traditional and legitimate authority and both your employers and your staff expect you to use it. So don't disappoint them. Authority and power not used are lost.

SECTION 12

THE BEST OF THE REST – A MISCELLANY OF GREAT IDEAS FOR MANAGERS

INTRODUCTION

This section contains a number of really great theories, each of which could have been squeezed into one of the other sections. I wanted to end, however, with a selection of theories that transcend neat classification. Why? Because management transcends neat classification. For example, there are a number of theories on motivation discussed in this book. Does that mean that as a manager you can only motivate staff when you use one of those theories? Of course not. Your personality and style of management, how you talk to people and take account of their needs when planning or managing change all impact on their motivational levels. This section is intended to remind you that the knowledge gained from one theory can often be applied in numerous situations, so don't build arbitrary walls between theories.

The Pareto Principle, which kicks off this section, is a great example of how one theory can be applied in numerous situations and help managers identify where they should concentrate their efforts. Others will provide insights into your personality and the personalities of those you work with and how to communicate effectively and avoid conflict. There are also two entries that cover the importance of managing the diversity that exists in your organisation.

I hope you enjoy reading this section, but don't look for or expect to find a single theme to emerge as you read because, to put it simply, there just isn't one.

THEORY 91 THE PARETO PRINCIPLE (CROWN AS KING)

Use to identify where you need to concentrate your efforts to maximise results.

The Pareto Principle is possibly the single most useful theory that a manager can know about. Why? Because it can be used to reduce significantly a manager's workload and is applicable in a huge range of circumstances.

The principle was devised by the Italian economist Vilfredo Pareto. He first used it to demonstrate that 80% of the wealth in Italy was owned by 20% of the population. Joseph Juran, the quality guru (see *Theory 78*), stumbled across his work and helped to popularise its use.

It was quickly found that the 80/20 split could be applied to a vast array of social and business situations. For example, 80% of an organisation's sales are made to 20% of its customers and 80% of the labour problems in an organisation are caused by 20% of the workers.

This theory of 'the vital few and the trivial many' does not pretend to be a precise measure of any phenomenon. The split may be 70/30 or 90/10. It's a rule of thumb that can be applied to a wide range of questions relating to staff, products, resources, customers and suppliers, but the precise split will differ from instance to instance.

HOW TO USE IT

The following are just a few examples of how you might use the Pareto Principle.

- 20% of your staff will cause 80% of your staffing problems. Sort out the 20% and leave the others alone.
- 20% of your staff contribute 80% of your productivity/profits/sales etc. Reward them!
- 20% of your customers generate 80% of your sales. Make sure you look after your golden egg-laying customers.
- 20% of your debtors owe 80% of debts outstanding. Concentrate collection efforts on these people.
- 80% of complaints originate with 20% of customers. Identify why there is a problem with these particular customers and tackle it (see *Section 10*). Usually you will be able to resolve the problem and although customers are usually right, some are just not worth the hassle.
- 80% of expenses incurred by the organisation will be in 20% of the budget headings. It is these big cost centres that you need to keep under close observation and where you should look for savings.
- 80% of your income will be earned from 20% of your products. You need to guard against over-reliance on a small number of products. Your future survival depends on it.

QUESTION TO ASK

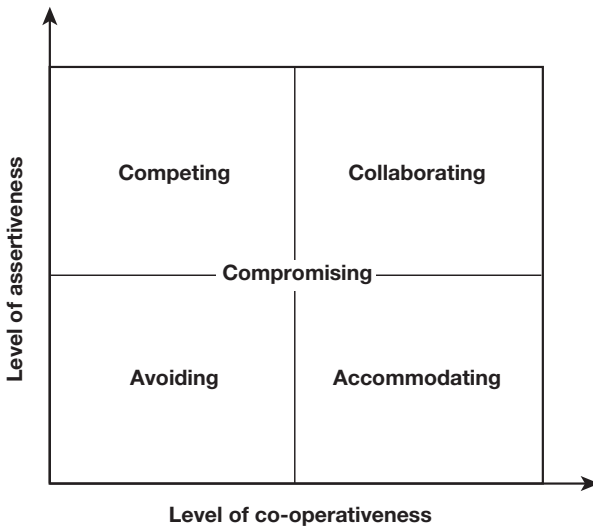
- Which three areas can I use this theory on immediately?
- Which 20% of the jobs I do add most value?

THEORY 92

THOMAS AND KILMANN'S
CONFLICT RESOLUTION MODEL

Use to understand and deal with conflict in your team.

Kenneth Thomas and Ralph Kilmann identified five approaches for resolving conflict. Each approach is described according to the level of assertiveness and cooperativeness displayed by the parties involved in the conflict.



Source: Adapted from 'Conflict and Conflict Management' by Kenneth Thomas in *Handbook of Industrial and Organizational Psychology*, edited by Marvin D. Dunnette, p. 900, 1976. Adapted with permission.

Collaborating requires high assertiveness and high co-operation from all parties. This approach tries to fully satisfy everyone.

Accommodating involves low assertiveness and high co-operation. This approach indicates a willingness for one party to satisfy the needs of others at the expense of their own.

Compromising involves moderate assertiveness and co-operation and tries to ensure that all parties are at least partially satisfied.

Competing leads to high assertiveness and low co-operation and is designed to ensure that one person wins at the expense of everyone else.

Avoiding involves low assertiveness and low co-operation and is designed to avoid conflict and means that no party is satisfied.

Thomas and Kilmann argue that once a person understands the categories they can select the most appropriate approach to take in each new situation.

HOW TO USE IT

- Conflict and disagreement are rife in the workplace. So how do we avoid it? That's the first trap. Don't try to avoid conflict, instead resolve it. If you resolve conflicts as they arise you eliminate future causes of conflict.
- Start by identifying your default position – your instinctive reaction to conflict. There isn't a questionnaire to help you do this. So think about how you dealt with a couple of recent conflict situations. Be honest in your assessment of your default position.
- Knowing your default position, approach each new situation in a calm and respectful manner. Be courteous with the other person(s) and listen carefully to what they have to say (see *Theory 7*). Try to separate the problem from the person(s). Just because they hold a different position to you doesn't mean that they are aggressive or negative.
- Set out the facts and settle on some points that you can both agree on. Then explore the various options available to you. Set some goals and deadlines that you can both agree on and start to work towards them. As you make progress, mutual trust and understanding will develop between you. This will make it possible to tackle any outstanding problems that you still have.
- Even among friends legitimate differences of opinions can escalate into full-blown arguments and major fall-outs. To avoid this, remain non-confrontational and focus on the issue not the person.

QUESTIONS TO ASK

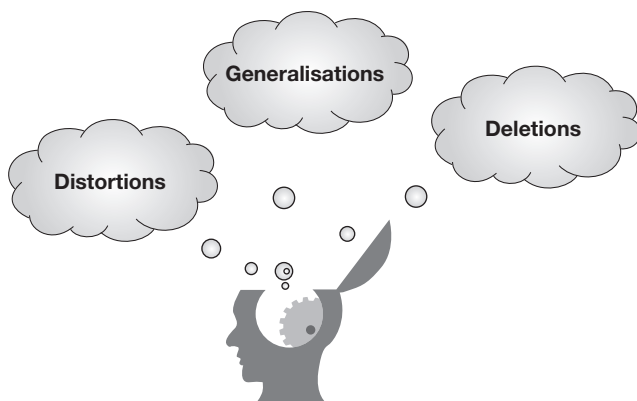
- When faced with conflict, am I too weak or aggressive to deal with it effectively?
- Do I need assertiveness or anger management training?

THEORY 93

GRINDER AND BANDLER'S
NEURO LINGUISTIC
PROGRAMMING (NLP) FILTERING
THEORY

Use to remind you that what you say (transmit) is not always what is heard (received).

John Grinder and Richard Bandler suggest that our brain's perception of events may be different from reality. This action is described as a filtering process that helps us to create the interpretations upon which we base our actions.



There are three filters (Deletion, Distortion and Generalisation) that are important because:

Deletion prevents our brain from having to absorb the mass of sensory information that we are exposed to every second and removes information that we consider irrelevant.

Distortion allows us to fit an event or occurrence into a framework of pre-existing knowledge. It changes our interpretation of events to fit our existing understanding.

Generalisation enables us make a judgement based on something similar that we may have experienced previously.

HOW TO USE IT

- Using communication techniques such as NLP depends on building a rapport with the other person. Start by finding common ground and then maintain a good rapport through effective use of language, gestures and tone.
- One of the key pillars of NLP is the belief that the meaning of your communication is determined by the response you get and not what you meant. Therefore take great care in how you frame each communication.
- Decide on what it is you want the other person to do as a result of the communication. This is the outcome you want.
- Put your message over as clearly, accurately and unambiguously as you can.
- Use verbal and non-verbal communication, e.g. body language, to emphasise particular points.
- Look for clues that indicate whether the person understands what you are trying to communicate.
- Use the feedback you get to identify if they are deleting, distorting or over-generalising the information you have communicated to them. Correct such misunderstandings during the conversation.
- If at first you don't get the response you wanted, try a different approach.

QUESTIONS TO ASK

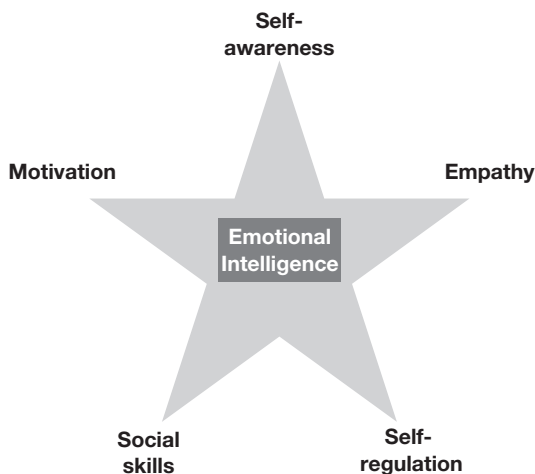
- Do I listen actively to what my staff say?
- Do I seek to be understood not just heard?

THEORY 94

GOLEMAN'S THEORY OF EMOTIONAL INTELLIGENCE

Use this to increase your self-awareness and understanding of others.

Daniel Goleman's work in the 1990s on emotional intelligence (EI) popularised the idea that it is not sufficient for managers to have a high IQ and be technically skilled. If they want to win the hearts and minds of staff, they also need to be emotionally intelligent. Goleman identified five characteristics that managers need to develop if they are to be successful. These are:



Self-awareness: Managers must recognise their own emotional states and the impact their emotions can have on others.

Empathy: Managers need to identify with and understand other people's feelings when making decisions.

Self-regulation: Managers must control their emotions and impulses and be able to adapt to changing circumstances.

Social skills: Managers need to manage relationships, influence people and encourage them to move in the direction that they have identified.

Motivation: Managers must develop their own source of intrinsic motivation. They can't rely on external rewards to motivate them. Achievement of their goals will provide the ultimate satisfaction (see Section 3).

Goleman believes that possessing self-awareness and an understanding of others can make an individual both a better person and a better manager.

HOW TO USE IT

- Establish your Emotional Intelligence Quotient by completing one of the many online questionnaires that are available. Self-awareness is critical so be honest when you go through this process.
- Keep a reflective diary. This doesn't have to be of Pepysesque proportions. Just jot down any key incidents that took place during the day: what you did, why you did it, what impact it had on you and on others. You can then review it and consider how you could have done things differently/better.
- Try to look at situations from other people's perspectives. This doesn't mean you must follow their line or even agree with what they have to say. However, by trying to be empathetic and recognising that people are entitled to their views and beliefs you will lay the foundations for effective dialogue.
- Take time to listen attentively to the other person's viewpoint and control the urge to jump in and make rushed or emotional decisions; and never start a sentence with 'If I were you . . .' – 'cos you ain't.
- There will be times when you feel you can't compromise. This may be down to your own principles and beliefs. Recognise that other people may also have deep convictions about an issue. Don't allow yourself to become frustrated or angry if they also refuse to compromise. Stay calm and re-examine your values in the light of what they have to say and seek to find a solution that is acceptable to both of you.

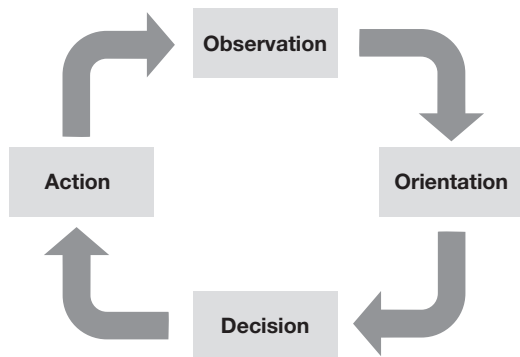
QUESTIONS TO ASK

- Do I believe that having a high EI is important in the workplace?
- If I think it is important, how much do I really know about it/use it?

THEORY 95 BOYD'S OODA LOOP

Use to enhance your decision-making skills.

John Boyd was a US Air Force Colonel who developed the OODA model as a decision-making tool in air combat. The model was quickly picked up by managers in other sectors.



Source: Adapted from Clayton, M., *Management Models Pocket Book* (Management Pocket Books, 2009).

Observation: Collect up-to-date data from as many sources as possible. But remember that all decisions are based on incomplete information.

Orientation: Determine what the data means. Use a combination of analytical and intuitive responses to update your understanding of what's happening.

Decision: Determine what course of action you need to take to get the best result.

Action: Follow through on your decision.

The model is cyclical and requires managers to evaluate the outcome of the action and repeat the orientation, decision-making and action stages until the desired result is achieved. Boyd stresses the importance of not using the model in a static fashion but as a dynamic, fast, reactive model. He suggests that the faster pilots moved through the model, the more likely it is that they would get a positive result.

HOW TO USE IT

- Unlike in air combat there is seldom the need for instantaneous decisions in business. Therefore, use Boyd's loop but leave the issue of speed to one side.
- Start by identifying any opportunities or threats you face. You may already have an example on your desk or you could use a SWOT analysis to identify one (*see Theory 67*). Gather as much data as you can about the issue but beware of the laws of diminishing returns.
- Remember, no matter how accurate your data is, it will always be incomplete and your brain will filter the information further (*see Theory 93*).
- Don't be afraid to use your intuition as you try to make sense of the situation. This isn't guesswork; intuition or tacit knowledge is something that develops as a result of past experiences and learning and resides deep in your subconscious until you need it (*see How to get the most out of this book*).
- Recognise that any decision you make is really only your best guess of what's right at a given moment. Keep refining your decision and subsequent actions by repeating the OODA loop until you are happy with the result.
- Before you use the OODA loop on something significant test the theory in a safe environment.

QUESTIONS TO ASK

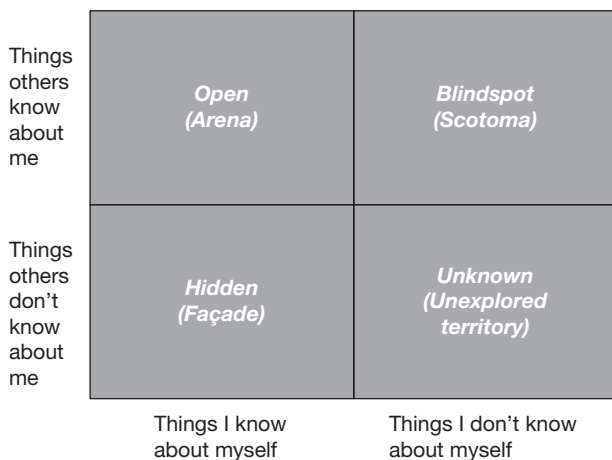
- How difficult do I find it to make decisions? Do I take into account all the information available to me or are my decisions based on gut reaction?
- Do I need to change how I make decisions?

THEORY 96

LUFT AND INGRAM'S JOHARI WINDOWS

Use to appreciate how important self-discovery and shared discovery can be in increasing understanding and trust.

In the 1950s, two psychologists – Joseph Luft and Harry Ingram – developed a model for soliciting and giving feedback. The model is a 2 × 2 grid which represents things that a person knows about themselves on one axis and things that others know about them on the other axis. By plotting the levels of self-knowledge and the knowledge held by others the person can develop a greater understanding of their personality and how they are perceived by others.



Luft and Ingram designed a Characteristics Test that enables an individual to gauge the degree of things they know about themselves and to correlate this with the things their peers know about them. The responses can be mapped onto the grid to produce a window frame (usually with one predominant pane).

HOW TO USE IT

- Use this model to analyse how good you are at giving and receiving feedback. Start by constructing your own window frame. Do this by accessing Luft and Ingram's Characteristics Test or any one of a number of online alternatives.
- Examine the good, the bad and the ugly. The larger the open pane is, the higher the level of communication, understanding and trust between you and your team members.
- If the open pane is not the largest, then take action to increase the size of it by discussing your thoughts more openly with others and soliciting their feedback.
- You also increase the size of the open pane by reducing the size of the others. Remember you cannot consciously change what you don't know, so use self-discovery and shared discovery through giving and receiving feedback as a means of increasing openness, understanding and trust.

QUESTIONS TO ASK

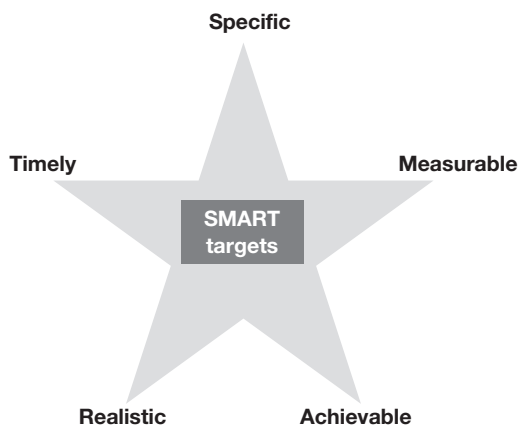
- What's preventing me from sharing my thoughts with other members of my team?
- How open are team members when talking to me about themselves?

THEORY 97 SMART GOALS

Use this simple tool to keep you and your staff on track and meet deadlines.

SMART is an acronym used to describe the setting of goals for individuals, teams or organisations. While it is difficult to attribute the development of the tool to any individual, a number of sources refer to an article by George Doran in the November 1981 issue of *Management Review* as the first known use of the term.

Although there is no clear consensus on what each of the five letters stands for, the following are popular interpretations.



Specific: The goal is clear and unambiguous.

Measurable: There is a criterion that can be used to track progress.

Achievable: The goal is do-able.

Realistic: The goal is relevant to the organisation and can be accomplished with the organisation's current resources.

Timely: There is a time frame for completion of the work.

The SMART acronym has been extended in recent years to include Exciting (making the goal challenging) and Rewarding (acknowledging everyone's contribution) thus making for SMARTER goal setting.

HOW TO USE IT

- Firstly, make sure that every person has clear, well-defined targets. Woolly targets allow for ambiguity and misunderstanding. Get people to tell you what their targets are and correct any misunderstandings.
- Once you are absolutely certain that everyone is clear on what is required devise a monitoring system that will track progress and identify when milestones have been achieved.
- Although you will want to stretch and challenge both yourself and the team, you must be certain that the outcome is attainable. Nothing demotivates more than constant failure.
- Make sure that the targets you set for yourself and your team are aligned with organisational goals. If you don't do this you are unlikely to receive support from the powers on high.
- Engender an appropriate sense of urgency by attaching a deadline for completion to each task/target within the milestone.
- Recognise that the SMART approach to target setting is one of the simplest but most versatile tools you have in your toolbox; a bit like one of those multi-function knives that men buy as a luxury gadget and then find essential. You can use it for a multitude of activities including strategic planning, project management, setting team goals and performance reviews. Its great strength is that it gets you to focus on outcomes rather than activities/processes.

QUESTIONS TO ASK

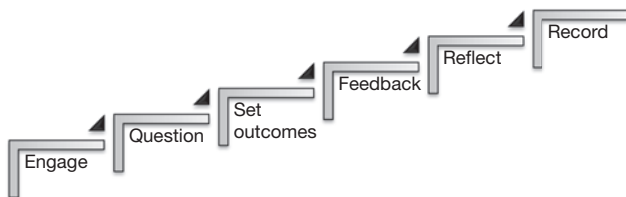
- How often am I going to measure progress against target?
- What am I going to do if a milestone is not met?

THEORY 98

COSTA AND KELLICK'S CRITICAL FRIEND

Use this when you want to challenge or critique someone with good intent.

Arthur Costa and Bena Kellick describe a *Critical Friend* as a trusted person who asks provocative questions, provides a different perspective on an issue facing someone and critiques their actions with good intent. They outline a process for the critical friend–individual interaction that can be depicted as:



The elements in the process can be summarised as:

Engagement: The individual outlines the problem and asks the critical friend for feedback.

Questioning: The critical friend asks questions in order to understand the root causes of the problem and to clarify the context in which the problem is occurring.

Desired outcomes: The individual sets the desired outcomes for the interaction, thus ensuring they are in control.

Feedback: The critical friend provides feedback on what seems to be significant about the problem. This feedback should be more than a cursory look at the problem and should provide an alternative viewpoint that helps address the problem.

Reflection: Both parties reflect on what was discussed.

Recording: The individual records their views on the points and suggestions raised. The critical friend records the advice given and makes a note of what follow-up action they need to take.

Costa and Kellick argue that the manager as a critical friend is a very powerful idea, perhaps because it contains an inherent tension within the term: Friends bringing a high degree of unconditional positive regard,

whereas critics may be negative and intolerant of failure. They describe the ideal as a marriage of unconditional support and unconditional critique. In this respect, it is a less formal approach than both the coaching techniques covered in this book (see *Section 4*).

HOW TO USE IT

Here are some tips to help you become a good critical friend:

- Don't allow your friendship with the individual to obscure the real issue that they are faced with. Too much stress on the friendship side of the role may compromise the need for a deep and critical exchange of views.
- Sympathising with their plight will get you nowhere and may even have a detrimental effect on coming up with a solution. The aim is to stimulate divergent thinking by introducing different views and fresh insights.
- Have a clear understanding of the boundaries that exist in the relationship and set clear objectives of who will do what and by when.
- Make sure that you review progress on the objectives at regular intervals. Provide honest and critical feedback to the individual and be willing to accept honest and critical feedback from them.
- Reflect on the nature and appropriateness of the relationship and ask whether this needs revising.

The critical friend model is a professional undertaking based on mutual regard and a willingness to question and challenge. If you feel that, as the individual's manager, you can't comply with this then go for a more conventional approach.

QUESTIONS TO ASK

- How certain am I that there is a clear distinction between my role as their manager and that of their critical friend?
- Am I giving and eliciting feedback in an honest and constructive manner?

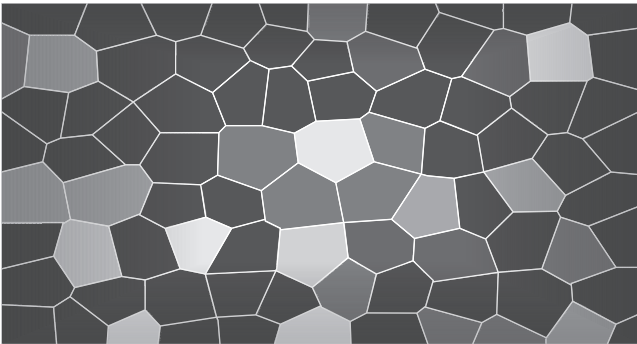
THEORY 99

KANDOLA AND FULLERTON'S
MANAGING THE MOSAIC

Use this to develop a mission statement for managing diversity in your organisation.

Rajvinder Kandola and Johanna Fullerton argue that the fundamental principles underpinning managing diversity are acceptance and respect. This requires an understanding that each individual is unique, and respecting individual differences. These differences can be related to disabilities, ethnicity, gender, race, religious or political beliefs, sexual orientation or socioeconomic status. It is about the exploration of these differences in a safe, positive, and supportive environment. It requires moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within your workforce.

Kandola and Fullerton liken this situation to a mosaic in which the organisation is made up of a number of pieces of glass, each with their own unique individuality and identity.



The analogy with the mosaic is that each individual piece is acknowledged, accepted and has a place in the whole structure.

Kandola and Fullerton argue that managing the mosaic effectively is based on the mission statement:

Management commitment to developing an

Organisational vision of the workforce of the future and

Sharing the ownership of the vision with all key stakeholders. It also entails

Assessing and responding to the needs of everyone through

Individual focusing and effective

Communication.

Kandola and Fullerton stress the importance of conducting an audit of needs in an organisation that may identify sources of potential bias and ways in which the culture of the organisation, its structure and processes can overtly or covertly discriminate against individuals.

They further argue that efforts to address discrimination through short awareness training run the risk of not only ingraining stereotypes even further but also of creating new, more powerful stereotypes that simply replace the old one.

HOW TO USE IT

Diversity management is a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximise their contributions to an organisation's strategic goals and objectives. To do this effectively:

- Have a clear vision of what you intend to achieve in respect of managing diversity and why this is important.
- Make sure that you have a commitment to being visible, active and on-going in promoting the vision.
- Play a major role in motivating the workforce to focus their energy on working towards the organisational vision.
- Ensure that all initiatives that involve managing diversity are initiated, co-ordinated and monitored.
- Provide adequate resources to support this.
- Deal with any opposition to the vision. There may be some concern from marginalised groups that the vision will result in a loss of focus and commitment towards their own group's interests.
- Don't try to address opposition to managing diversity by holding short staff training sessions.

Managing diversity has a great deal to offer organisations in recruiting, retaining and getting the best from all their workforce by not making assumptions about people based on superficial ideas of their perceived membership of any group.

QUESTIONS TO ASK

- How clear is my own commitment to this issue?
- Am I able to express my vision with clarity and conviction?

THEORY 100

KUMRA AND MANFREDI ON
MANAGING EQUALITY AND
DIVERSITY

Use this to develop a holistic approach for managing equality and diversity in your organisation.

Professors Savita Kumra and Simonetta Manfredi argue that the importance of managing equality and diversity effectively in the workplace has never been so critical for organisations. They claim that:

The focus in managing work–life balance has shifted from work–family issues to a more inclusive idea of work–life balance to help all workers to combine paid work with personal life.

The implications for the employment practices of religious rights of workers have generated significant debate and interest on the freedom of religion as well as freedom from non-religion in the workplace.

The introduction of protection against age discrimination is part of a wider strategy to extend working lives.

Although research has indicated that there is a significant increase in the number of women embarking on professional careers, there is no comparative increase in the numbers of women reaching management or executive in their chosen profession.

There are misconceptions about the numbers of immigrants entering the UK and the lack of contribution they make to society.

Quota systems for employing people in protected categories, such as for people with disabilities, are failing the individuals they set out to protect.

Kumra and Manfredi claim that the more aware managers are of the diversity that exists within their organisation, and the key theoretical approaches that aid understanding of this, the more able they will be to react and respond in a coherent and reasoned manner.

HOW TO USE IT

Kumra and Manfredi argue that their perspectives on equality and diversity constitute debates that managers will need to engage with in order to align their labour needs with what is available. To do this you need to:

- Consider how flexible working arrangements can be used to meet the challenge of integrating company-led flexibility with employee-led flexibility. For example look at how compressing someone's working hours can enable an employee to work his or her total number of hours over fewer days with no loss of income.
- Make sure that you respond to the challenge of balancing the need to allow religious practices in the workplace with individuals' rights for freedom from the religious interests of other staff and service users.
- Aim to create a workplace where chronological age becomes irrelevant and the focus is placed entirely on workers' competencies and abilities.
- Examine the sexist politics that exist in your organisation that may be preventing women from reaching senior positions there. If you cannot put your hand on your heart and say that women are not being treated less favourably than men in your organisation, then do something about it.
- Not make assumptions about people based on superficial ideas of their perceived membership of any ethnic or disablement group, or try to address issues resulting from this by holding short awareness training sessions for staff.

Failing to address any of the above issues may result in prosecution for failing to comply with the laws of the day, bad public relations and loss of customers.

QUESTIONS TO ASK

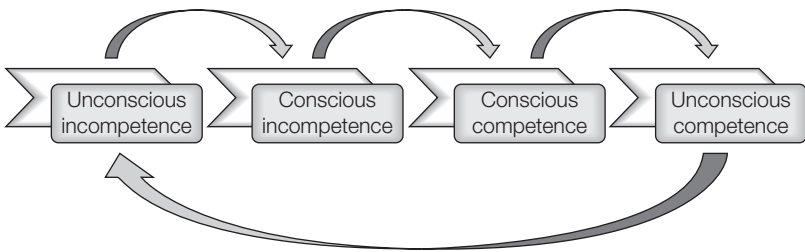
- How certain am I about my legal and/or moral obligations on dealing with protected individuals?
- Am I guilty of stereotyping individuals?

THEORY 101

PETER AND HULL'S PETER PRINCIPLE

Use this to deal with people who are being considered for promotion.

Lawrence Peter and Raymond Hull proposed the principle that people are promoted to their highest level of competence, after which further promotion raises them to a level just beyond this and they become incompetent. This can be depicted as:



The Peter Principle levels are as follows.

Unconscious incompetence: Someone who doesn't know how to do something, but are totally oblivious to the fact that they don't know this.

Conscious incompetence: They now know what it is they need to do, and start to appreciate the gap in their competence.

Conscious competence: Now they can do what it is they need to do, but have to give it a lot of thought and effort.

Unconscious competence: At last they can perform a skill easily without giving it a great deal of thought or effort.

Unconscious incompetence: The danger with doing things without thought or effort is that complacency might set in and result in a return to the first level.

Peter and Hull argue that the value of the principle for managers is an understanding of why staff may reach and stay at one of these levels, or reach the highest level and then return to a lower level due to complacency in the role.

HOW TO USE IT

The usefulness of this theory is in challenging the belief that the selection of a candidate for promotion should be based on their performance in their current role, rather than on their ability relevant to the intended role. Here are six ways to beat the Peter Principle:

- Don't fall into the trap of believing that competence in someone's current role suggests they will be competent in a higher level role.
- Match the person's capabilities with the demands of the job. Your starting point should be an analysis of the skills required to achieve success in the new role.
- Talk to employees about their career expectations and interests about holding a higher position. This will help in analysing where they would like to see themselves and whether they are satisfied with their current role or not. In this way they won't be compelled to do something that they are not comfortable about.
- Realise that it's not always necessary to promote employees who are good in their existing jobs. Sometimes, without any significant change in their responsibilities, you can reward them for their hard work by offering other incentives.
- Don't be afraid of demoting or sacking people who have reached their level of incompetence. This may sound harsh but it can be a win-win situation because the individual who is at their level of incompetence may welcome an opportunity to return to what they did well (provided there is a face-saving way to do it).
- If you have promoted an individual and discover that they are not competent at that level, additional training, mentoring or shadowing someone who is competent may give them the tools they need to succeed.

QUESTIONS TO ASK

- Have I accurately identified which factors in the person's current job have prepared them for promotion?
- Have I thought through what weaknesses they have that need to be addressed so they have the capacity to carry out the future role?

A FINAL WORD ON THE BEST OF THE REST

WHY PARETO WAS CROWNED KING

Managers are busy people. You are a busy person. Any theory that saves you time and helps you identify and access key information quickly has to have a value beyond rubies.

It's also a theory that can be used in a wide range of situations. For example: the 2012 Forbes Rich List of America reveals that the richest 400 people in America have a wealth equivalent to 12.5% of America's Gross Domestic Product. This means that about 0.000001% of the American population owns 12.5% of the wealth generated in America in one year. Based on that figure it's pretty certain that at least 80% of all wealth in the USA is owned by 20% of the population.

However, don't fall into the trap of believing that only financial targets are important. As Benjamin Disraeli said, 'There are lies, damn lies and statistics'. And often the most important information in a business cannot be reduced to figures on a spreadsheet.

THE ONE THEORY THAT SHALL RULE THEM ALL, AND WHY WE PICKED IT

AND NOW, LADIES AND GENTLEMEN, THE WINNER – THE ONE AND ONLY – TRUE EMPEROR OF ALL MANAGEMENT THEORIES IS: THE PARETO PRINCIPLE

Unfortunately Vilfredo Pareto cannot be with us to receive his award. Given his absence we feel that an explanation of our choice is required.

The one commodity that managers lack more than any other is time. Any theory that will save you time and help direct your efforts to where they will have the greatest impact has to be a winner.

The Pareto Principle separates the important few from the unimportant many. It shines a light on those few processes and people that cause you most of your problems. Sort out the 20% causing problems and watch your 'to-do' list shrink.

Pareto also identifies where to devote your energies in terms of developing positive factors. Use it to identify the 20% of products that generate 80% of your sales. This information can guide your decisions regarding the allocation of scarce resources. It can identify the 20% of your customers that generate 80% of your income. It is these people that you never want to upset. Pareto also helps you identify the 20% of your staff who are the real stars of your team and who should be recognised and rewarded.

The Pareto Principle is extremely elegant in its simplicity and has shown over the years that it can be applied to virtually any situation. A true all-rounder. Of course the split may not be exactly 80/20 but it will be in that ball park. Try it out on a range of issues and prove for yourself how all pervasive the ratio appears to be.

A VERY FINAL WORD

Are you one of the 20% who have read the book in its entirety? Or are you one of the 80% who have read 20% of the book? Either way we hope you found something in it that you can use. But what does this book really tell you about management?

Writing it we identified seven key themes that seemed to keep coming up. These encapsulate what we think management is all about. They are:

- 1 Every manager must be true to their essential nature. Unfortunately it's not easy to uncover your essential nature. We play games with ourselves all the time and ascribe noble motives to despicable actions just so we can sleep well at night. The best managers know exactly who they are and what they stand for. To discover who you are will require some soul-searching.
- 2 Managers need to know their staff: what makes them tick; what their strengths and weaknesses are; what motivates them; what their interests are. If a manager doesn't know and understand their staff then they are operating blind!
- 3 Managers and staff must trust and respect each other. Trust and respect are not things that you can demand from people. Both of them have to be earned. As a manager the quickest way you can earn your staff's trust and respect is to demonstrate that you will not sacrifice any of them just to get out of a sticky situation or achieve your own personal objectives.
- 4 Managers and staff need a target to work towards. Some may call it a vision. I think of it as a purpose. A purpose gives people a reason, other than earning a living, to get up in the morning and go to work. It's what keeps them at work until everyone else has gone home – even though they aren't paid overtime.
- 5 People need to believe that their work has meaning and has been recognised. Too often the only feedback they get is a rollicking when they fail. Provide positive feedback whenever it has been earned and staff will grow and develop before your very eyes.
- 6 Achieving a personal objective is great, especially when it's something you have been working towards for years. But the downside is that no one can ever truly appreciate what you achieved because they

weren't part of it. That's why succeeding as a team is so much more satisfying. You can share your success with a group of people who truly understand and appreciate what you did because they were in the trenches with you.

- 7 Work is important but no one on their deathbed ever said 'I wish I'd spent more time in the office'. So keep work in perspective. It's important, but life is meant to be enjoyed. If you don't enjoy your work get out and find a job that contains both meaning and enjoyment – even if you have to take a pay cut. Life will be sweeter, I promise you, and you'll be a better manager for it.

FURTHER READING

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If you can't find any of the above texts in the bookshop or on Amazon try www.abebooks.co.uk

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Harvard Business Review
Management Today
McKinsey Quarterly
MIT Sloan Management Review
Professional Manager

WEBSITES:

www.businessballs.com
www.ehow.com
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