

Chapter 1 Understanding Management

*** What is Management? Video Transcript - Approx. 4 minutes**

- At the heart of any successful organization, you'll find good managers who are making important decisions every day. Managers make sure that projects are completed, that work is of the highest possible quality, that employees are motivated and engaged, and that policies and procedures are followed. In fact, managers do so many things that management is more a series of key skill sets rather than one specific role. **Good management is the use of key skills and practices correctly applied at the right time to help the organization reach its highest potential.** The good news is that management skills can be learned and improved.

Throughout this course, we'll explore specific strategies for honing your management skills. While there's a range of key management skills and practices, they fall into mainly three areas:

- **Managing Performance** (*Chapter 2*)
- **Managing People** (*Chapter 3*)
- **Managing the Business** (*Chapter 4*)

Within each of these areas are specific competencies. I've included a handout in the exercise guide so that you can assess your abilities in each of these areas. I recommend that you complete it before we continue. (*Pause the video to complete the Management Competency Assessment*).

Throughout the course, we'll delve into each of the competencies and I'll cover strategies you can use to improve your effectiveness as a manager. It's important to understand that management has come a long way since its initial roots. Management was conceived during the Industrial Revolution when factories necessitated organizing the work of large groups of people. Early management theories focused on controlling workers. There was an assumption that people inherently resisted work and needed to be prodded or even forced to do a good job. Management occurred by using power over workers through structures like hierarchy, bureaucracy, and punishments to create productivity. But we've come a long way since the 1800s and over time, management has evolved. The efforts of the labor movement and key legal decisions certainly have done a lot to humanize the workplace, making it safer for people, both physically and emotionally. And our economies have changed. The age of information and technology has radically transformed what work is and how it's accomplished. And globalization has redefined where we access our customers, suppliers and even employees. Many organizations also discovered that how they treated their employees had an impact. Companies who treated their employees well saw higher productivity, reduced turnover, and even less sick time, which translated to huge cost savings. In addition, they discovered that happy employees treat customers better and are more creative, leading to product innovations. This has been driven home by the modern generations of workers, especially Generation X and Millennials who have come to expect more from their jobs than just a paycheck. They vote with their feet, making the cost of recruitment and retention of good workers a high priority, even during economic slumps. Now, I don't want to imply that autocratic management is a thing of the past. You can still find it being used, especially by older managers and leaders. But you'll find that organizations that are thriving are doing so because they've embraced the latest revolution in management, which is to focus on motivating and engaging employees and customers alike.

There are several key areas of management that have shifted over the years.

1. One area is how decisions get made and implemented. Organizations are moving away from a hierarchy based on authority and power and instead tapping into the wisdom and expertise of people at all levels of the organization. This yields better decisions and increases engagement.
2. Another area is how activities are coordinated across the organization. Instead of using bureaucracy and rigid roles, organizations are moving to more agile and nimble models that allow them to make changes quickly. In today's fast-paced world, managers are giving employees more autonomy and independence.
3. The third area is how employee performance is measured. Rather than focusing on narrow markers of achievement, organizations are focusing more on competencies that support a wide range of successful outcomes. In addition, managers are stepping away from the reward and punishment model of motivation and tapping into how people are intrinsically motivated. This yields increased productivity and engagement.

What does this all mean for you? Well, it means that your success can be enhanced by learning and implementing modern management strategies, knowing how to better manage performance, people and the business will pay off for you in numerous ways. As you become known as a great manager, you'll also reap direct benefits in your career as you're tapped for future opportunities in leadership.

***Knowing when you're Managing and when you're Leading Video Transcript - Approx. 4 minutes**

- Throughout your day, you're probably going back and forth between managing and leading. In today's modern organizations, leadership and management are closely intertwined because almost all people who manage others and projects or functions also have to provide leadership to their people in the organization. Let's explore the important distinctions between them.

The primary goal of LEADERSHIP is to produce change and growth. The work of a LEADER is to envision a better tomorrow and design the change that will get the organization from here to there.

The primary goal of MANAGEMENT is to produce order and consistency. The work of a manager is to create a stable work environment that's clear and consistent so that employees can be as productive as possible.

Needless to say, there's some natural tensions between management and leadership. Think about your day-to-day work over the past two weeks and identify when you're managing and when you're leading. Here are some key things to look for.

1. The first distinction is about approach. Managing is tactical and hands-on, while leading is strategic and visionary. This is because the time frame is different.
2. Managing occurs in the here and now. You're looking at the short-term and mid-range goals that ensure success of the organization today. Contrast that with leading, where the focus is on the future and setting strategy and change to create the organization of tomorrow.

3. Another difference is that the focus shifts. For management, the focus is narrow and internal whereas the leader's view is broad and external, including other functions, industry, market, and national and global affairs.

As an example, let's look at Adriana, who works for The Landen Hotel Company. Landen hotels can be found in 20 countries and 400 cities. Adriana is the Events Manager at a large property in Quito, the capital of Ecuador. She's one of 12 department directors, each of whom reports to the hotel manager and have direct reports of their own. Adriana manages a team of four people, and they interface with several departments from facilities to the kitchen. Adriana is managing when she runs department meetings discussing upcoming events. She's leading when she identifies that many companies now have remote employees, and she proposes new models for hosting conferences that'll allow for remote access.

4. Managing relies on current resources and structures while leading designs new ones for the future. Adriana is using her managing skills when she conducts a performance review for an employee using the current system. She's leading when after learning more about what drives employee engagement, she proposes that the company's performance management system change from target-based to competency-based measures.

5. For managing the task goals are directing the daily work of employees to achieve currently identified goals, whereas leading requires planning for the future, setting a long-term vision and strategy to bring about the change. Adriana is managing when she implements a new online event management system and provides training on how to use it. She's leading when she creates an innovative internship program with a local culinary school to cultivate the best students as future employees and caterers.

6. Finally, number six. The people skills differ as well. Both managing and leading rely on emotional intelligence, but managing is more tactical, like conducting one-on-one meetings, delegating tasks, and coaching employees to improve performance. Leading is about building the culture to maximize engagement, inspiring various stakeholders with a compelling vision, fostering collaboration, and cultivating the next generation of leaders. All of this is in service to achieving the future potential of the organization by maximizing the most important asset, its talented people. Adriana is managing when she delegates various events to her team, rotating roles to build their skills. She's leading when she identifies some high potential employees and creates a cross-functional team to assess industry trends and innovate new models.

Using the Exercise Guide, reflect on your own work, and estimate the percentage of time you spend managing and leading.

***Exploring Manager Roles Video Transcript - Approx. 4 minutes**

- As a manager, you'll play a few different roles. As I go through the five primary roles, think about how you play them over the course of your work week.

- **Producer.** You must produce the desired results and achieve the organization's goals through projects and tasks.

- **Administrator.** You must administer systems, policies, and procedures so that the organization runs efficiently.
- **Innovator.** In order to enact change that serves the organization's future, you'll need to be creative and innovate new ideas or solutions.
- **Mediator.** Not only will you need to help our employees work through conflict, but you'll also mediate any tensions between the employees' needs and the organization's.
- **Culture builder.** You must build a work environment and culture that values its members and supports the organization's goals.

Each role requires different skill sets and you may be better at some than others. You want to play to your strengths and develop the areas in which you still need to grow. Also, think about how you can utilize the strengths of your people to balance you. It also happens that these roles can actually be in conflict with each other. For example, administering a policy might actually limit innovation, or enacting change might threaten the current culture. Part of being a manager is knowing how to balance these roles, and also when to prioritize one over another. This can be confusing because there are actually **two primary perspectives to consider**.

One is the **employees' perspective**, which focuses on the experience of the people under the manager. This is the one we're all most familiar with because we've all been under a manager at some point in our careers.

The other is the **organization's perspective**, which focuses on the effective completion of work that drives the organization's success. Every manager must find a way to live at the intersection of these two different and sometimes competing perspectives.

Let's take a deeper look. I'm going to start with the **organization's perspective** because it really does come first. Everyone is employed to help the organization accomplish its goals. It's also true that the organization's perspective is what has driven management style since the 1800s. The organization's perspective includes several key questions like, are the assigned projects and tasks completed? Does the work get completed on time and within the allotted budget? Is the level of work quality sufficient to accomplish the goals? Is the organization protected from lawsuits by compliance with state and federal laws and regulations? Does any innovation occur that enhances the organization's success? Does the manager hire and develop employees who make positive contributions to the organization over time?

From this list, it becomes obvious that from the **organization's perspective**, **key management skills include:**

- project management
- time management
- resource management
- communication
- decision making
- people skills
- performance management

Now let's switch to the **employees' perspective**. The people who report to a manager have several key questions like, are my tasks and responsibilities made clear? Am I given the training, guidance, and resources to complete the tasks? Are my skill sets effectively used, and am I given opportunities to grow? Am I treated fairly and with respect? Can I see that my contributions make a difference, and are they measured

accurately? Is my worth accurately assessed and valued? Is there a clear career path for me to advance and grow?

From the **employees' perspective**, key management skills include:

- communication
- people skills
- performance management
- training and coaching
- fairness or ethics

There is overlap. The employee interaction is in service of the organization's goals, and the organization provides meaningful work and fair compensation to the employee. To be a successful manager, you'll need to find a way to artfully navigate the inherent tensions and opportunities that live between the needs of your employees and the goals of your organization.

***Understanding Management Styles Video Transcript - Approx. 5 minutes**

- Management styles are the patterns of behavior people use when they hold management positions. These patterns of behavior include how they communicate, make decisions, supervise, and motivate. **There's a range of management styles and all are a blend of three key behaviors.**

- **Task direction**
- **Decision making**
- **Relationship building**

Task direction is when the manager tells the employee what to do, as well as when, where, and how. This may involve teaching and training as well as directives and instructions.

Decision making is the extent to which the manager involves employees in the decision-making process. This exists on a continuum. At one end, employees have no involvement at all, and at the other end, the manager delegates decision making completely to the employees.

Relationship building is how the manager forms a relationship with each employee as well as creates the work environment or culture for the team as a whole. It includes coaching, motivating and engaging employees, open communication, and respect.

Let me walk through the most common **Management Styles**. I've included a handout in the Exercise Guide so you can read more about each profile.

I've coined the first style "**The Director**." This manager wants to be in charge so controls all aspect of decision making. They provide a lot of task direction and are often seen as micro-managers. Directors don't engage much in relationship building although they can be cordial. A hallmark phrase is, "Do what I say." This autocratic style is appropriate when employees have very low levels of skill or initiative, or when the organization is in a crisis and needs immediate change. However, The Director ultimately does harm to the organization, because employees are not motivated and don't get opportunities to develop.

The second style is "**The Consultant.**" This manager still maintains control of decision making but knows that relationship building is important so consults with employees to gain their input. Employees can feel more engaged with this style if the consulting is genuine. Consultants still provide task direction but allow low levels of autonomy. The phrase for this style is, "I value your input." This style works well with employees who are growing in their skills or confidence but not yet to the level where they can handle complex tasks on their own.

Third, you have "**The Consensus Builder,**" who manages democratically. This manager genuinely seeks input and feedback from all sides. They focus on what's best for the group as a whole, so often make decisions based on majority preference or consensus. The phrase here is, "What do you think?" The downside of this style is that they may take too much time seeking input, or ignoring the best decision, in favor of the choice that has the most support.

Fourth, you have "**The Coach.**" This manager focuses on creating a highly productive and motivated staff. They provide both training as well as encouragement to grow. They often create a fun and positive work environment with lots of team building and social activities. The hallmark phrase is, "How can I support you?" This style is great for mid to high performers. But coaches can stumble if they have poor performers or difficult employees who don't respond to their encouragement.

The fifth style is "**The Visionary.**" This manager has an exciting vision and they're good at inspiring or persuading others to get onboard. Often, they're great at strategic thinking but not so good with tactical skills. This manager is exemplified by the phrase, "Follow me!" To thrive under this style, employees need to be independent because they have to figure out the day-to-day work for themselves.

"**The Delegator**" is the sixth style. This manager uses a very hands-off or Laissez-faire approach to management. They turn over almost complete control to their team, stepping in only when necessary. This style only works well with high performing employees. The phrase here is, "You've got this." Delegators have to remember that while they may be able to hand over task performance and decision making, they must continue to build relationships.

The last style is called "**The Narcissist,**" and it's actually the most harmful style, with very few redeeming qualities. The narcissist maintains control by providing a lot of task direction and no decision making. They engage in relationship building but only to garner favors or support, abruptly dropping people when it no longer suits their needs. This person is very self-centered, but they can still be likable, often even charming. But they rule with an iron fist, using punishments from firing to petty retaliation to keep people in line. People under them are in fear so they cannot speak up or seek help. Often once this person leaves or is let go, a whole series of shocking information comes to the surface. To know if you have this most toxic kind of boss, look for high turnover, or a boss that takes all the credit for their team's successes, and blames their team for any failures.

As you review these styles, think about which styles you've experienced as an employee. What impact did the styles have on your productivity, motivation, and loyalty to the organization? Also, consider which style is most like you. We all tend to have a favorite or natural style that we use the most.

***Choosing Your Management Style Video Transcript - Approx. 5 minutes**

- So which style should you choose? Well, it all depends on your situation. With the exception of the Narcissist, all of the styles can be useful in a certain context. While no one individual style is good or bad, a management style can be a good or poor fit for the situation, which determines its effectiveness.

Let's start with your natural style of management. Which of the styles is most like you? If you're not sure, ask friends and colleagues for their feedback. It's important to know which style you default to because that's what you're likely to do under stress. Ultimately, your natural style may be the fit for some of your employees, and they will thrive under you, but if you want your entire team to thrive, you must be willing to become versed in all of the styles. It's the manager's responsibility to be the chameleon and change your style to suit the situation. By picking the best style for the situation, you'll maximize the productivity and engagement of your people.

TO DETERMINE WHICH STYLE TO USE, first **assess the skills and attitudes** of each of your employees.

Consider their job description and identify the skills or competencies they need to be successful. Rate their current competence in those skills.

Also, look at their attitudes. Are they enthusiastic and motivated? Cautious or nervous, or even disengaged and bored? Look at how they get along as a group. Are they cohesive and friendly? Or is there a lot of tension or conflict? Now, you apply combinations of task direction, relationship-building and decision-making to bring out their best.

With **employees who are new or unskilled**, use high amounts of task direction and relationship-building. This will help them learn what they need to do the job, as well as start building a positive connection between you. You'd want to use the **Director and Consultant styles**.

Over time, as you see evidence that your **employees are becoming more skilled and confident**, you'll throttle back on task direction as needed and maintain relationship-building. Also now add some decision-making to push their growth and development. Now you don't just hand over a big decision to them, but first, start involving them in discussions about decision-making. Begin by seeking their input and sharing what you're doing and why. As they get the hang of it, then you can let them make some low-risk decisions. This is when you might want to use the **Consensus Builder and Coach styles**. Continue to build relationships as you push their skill development with more and more opportunities for decision-making.

Once your **employees are highly skilled**, you can delegate a lot of things to them. At this point, you're providing very little task-direction and even then, it's rare. You're also giving them a lot of autonomy with decision-making, increasing the complexity of projects to keep them challenged and engaged. You can also dial down the relationship-building, as you should have a strong foundation of trust and respect to stand on. However, be careful that you don't stop relationship-building altogether. Even your top performers still need encouragement and acknowledgment. You'll find that the **Visionary and Delegator styles** work well for you here. Especially because as your team grows, you can manage them less and less, allowing you to turn your focus toward leadership and strategy. If you want a great book to guide you through the mini-challenges of management, I highly encourage you to read the book *Leading at a Higher Level* by Ken Blanchard. It's one of my all-time favorite books and a must-read for managers.

Let me leave you with one more tip. Think of yourself as a habit-changer. Seriously, current developments in neuroscience have revealed new and exciting information about how humans form habits. Habits shape everything we do, from our professional to our personal lives. Every day we engage in habit loops, that have been well-built over time, and in many cases are quite grooved, both behaviorally and neurologically. Think about your own day. Habit is behind your commute to the office, how you behave in meetings, and even how you answer your phone. When we do behaviors over and over again, they become grooved and even develop thicker neurological pathways. In fact, research has shown that it takes about 40 repetitions of a behavior before it becomes grooved as a habit, and 66 shows measurably thickening of the pathways. What does this have to do with management? Well, first, as a manager, you have your own habits. Your default management style is one of them. It's well-grooved. If you want to help yourself become better at the other styles, you have to practice them, so they become habits too. In addition, managing people is largely about helping them form new habits or better ones. As you give them task direction, or opportunities to make decisions, you're actually helping them develop new habits for working. Effective managers are patient and allow people time to learn and grow. Knowing that after about 40 repetitions of any new behavior, habits get formed.

So, play with the six styles, using them based on what's the best fit for the situation. You may even use one style with one employee, and a different style with another. Ultimately, your goal is to bring out the best in your people, and the right choice of management style is how you accomplish this.