

By Alison Davis

Companies are
changing
everything—
**except the way
they manage
people.**

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You've heard all about the way the workforce is changing. You've seen the studies about burned-out baby boomers and disenfranchised Gen-Xers and millennials who expect trophies just for showing up in the morning. So you're well aware of the fact that your employees have different needs and expectations than they had fifteen, ten, or even five years ago.

Why, then, haven't you changed the way you manage people? Occasionally you may have wondered if your people-management style is a bit antiquated, perhaps because of disappointing engagement survey results or poor productivity metrics. But what you may not realize is that your company hasn't altered its basic approach to dealing with employees since the 1950s, when it adopted the top-down, command-and-control military model, with its emphasis on prompt obedience to orders.

Meanwhile, the recession has obscured a significant problem: The way you are leading your employees is dangerously outdated. When things improve—and they will—you run the risk of trying to motivate a disaffected, underperforming workforce, unless you start making changes now.

Sure, sure, you've made tweaks. The Man in the Gray Flannel Suit never got paternity leave, he wouldn't have known what flextime was if he fell on it, and he had no access to information about company performance.

But fundamentally, you aren't managing differently than your grandfather did. You may not think of your employees as a battalion, but you are using management techniques based on the assumption that employees march in line, just waiting for the next command to step up the pace, change direction, or halt in unison. And while you've been busy trying to get your company through the economic crisis, you've failed to realize that your current practices are the opposite of what you will need during the coming decade to motivate and engage employees.

STUCK IN THE PAST

Consider most organizational charts. They look exactly the same today as they did in the middle of the twentieth century: one box at the top, supported by a number of smaller boxes, supported by a lot more little boxes at the bottom of the pyramid. The model is top-down, hierarchical, and rigid.

Just as retro is decision-making. I recently worked with a pharmaceutical company where senior managers decided to undertake an initiative to push accountability down the organization. The company even hired a high-priced management-consulting firm for advice. It all sounded good, but the problem was that it *only* sounded good. Executives paid lip service to the effort but continued to insist that they approve everything from departmental budgets to new hires to interoffice e-mails. (As you might expect, the initiative fizzled, and decision-making today is just as slow and painful as ever.)

And while we're talking about trouble at the top, let's look at a subtle anachronism: the practice of treating senior managers as aristocrats. Lots of ink has been spilled about executive pay,

but what's more damaging is what I call "imperial executive syndrome." Such an executive lives like a prince, eats better food, breathes cleaner air, and travels better than his peasant employees. Perhaps fittingly, his office is like a palace, with plush carpets, antique furniture, and acres of space. When he wishes to consult with his subjects—I mean, workers—they come to him for an audience, referring to him as "Mr." and waiting for him to speak first. Once, these regal trappings might have commanded respect; today employees see these as tangible evidence of how out of touch senior leaders are.

But let's loosen our ties and leave the executive suite (whew!) so we can examine another trapped-in-the-past management practice: access to information. This is supposed to be the era of transparency. Back in 2003, Don Tapscott and David Ticoll wrote a book called *The Naked Corporation*, in which they declared, "Today's business environment depends on trust—and mandates transparency like never before." Such transparency, the authors said, is essential for productive relationships with customers, suppliers, and, yes, employees.

It's a great concept, and one with which most company leaders would agree, but most organizations are more like a murky pond than the crystalline Caribbean. Public companies hide behind the Sarbanes-Oxley Act as a way to hold back information until it's packaged and ready to share with investors. Such packaging—which presents results as prettily as possible—makes it hard for employees to understand what's really happening. Recently, my firm conducted focus groups at a Fortune 100 company to find out how well-informed employees are about the organization's goals, strategies, and financial performance. Despite the fact that the CEO holds virtual town halls every quarter, workers expressed more confusion than clarity. "The CEO speaks at such a high, abstract level that it's hard to understand what the numbers mean to us," said one employee. "I mean, I appreciate the effort—I just don't think it's an effective way to share information."

Transparency is even scarcer at private companies. At a privately held manufacturing firm based in New England, employees regularly receive data about how well their manufacturing site is reaching key milestones. But they don't have access to other facilities—let alone the company's overall—results, information that might help them make meaningful improvements. And at a global-services firm with one thousand employees, I recently had the opportunity to visit the firm's intranet site. It contained plenty of data about specific projects but no information about company objectives, key business strategies, or financial results. The employees I spoke to—who

happened to be well-educated, ambitious millennials—didn't understand why this information wasn't readily available. "Unless we know how the firm is doing," said one 28-year-old, "how can we understand how we can best contribute?"

WE'RE ALL GROWNUPS, RIGHT?

You can start managing your employees better by realizing how individual, self-sufficient, and inner-directed they are. Imagine your workers as residents of a small town. It's a busy day on Main Street. People rush from place to place, intent on the tasks they need to perform. Some work collaboratively—it's time for the youth soccer-league tryout—and others are individual contributors, intent on fixing a watch or making a sandwich. Everything works smoothly, but no one is in lockstep.

Your employees in this "town" have some things in common, such as geography, but possess different skills, strengths, and motivations. They're well-functioning citizens who don't want, or need, someone to manage them in the command-and-control sense of the word. What they want is someone to motivate them to do their best.

The best way to start motivating your employees? Treat

them as adults. Before you start protesting that you do so already, take it from a fellow Type A, know-it-all leader: We could both do better.

You became a leader because you're smart, driven, and decisive. You're quick with the right answer. You're impatient. But those qualities, which have served you well so far in your career, may be undermining your ability to lead people. Tomorrow's workforce—those independent millennials and boomers who stick around on their own terms—won't put up with being bossed. Without intending to, your get-it-done style can make employees feel inferior, undervalued, and infantile.

Several years ago, I visited a manufacturing plant in Florida, which had the best quality and productivity metrics in its division. My client and I were there to learn what the facility was doing right so we could apply those management techniques at other facilities. As the plant manager took us on the tour, he pointed out an hourly employee working on his machine. "See Ted there?" the plant manager asked. "He's been with us for more than twenty years, doing the same job year after year. You might not think Ted's got much to offer, because he's *just* a manufacturing worker. He has no interest in being promoted. He leaves work as soon as his shift is over. But Ted knows

A CHOICE ONLY YOU CAN MAKE

BY LAURIE RUETTIMANN

Jack Welch recently spoke to a group of HR leaders at an annual conference in New Orleans. In an answer to a question regarding work-life balance, Welch made a bold and controversial statement: "There's no such thing as work-life balance. There are work-life choices, and you make them, and they have consequences."

Now, Welch is a man of privilege. He has benefited directly from the many women around him who have put their personal aspirations on hold so that he can have a successful career. To say that his observations on work-life balance were tone-deaf, especially when speaking to an audience of HR professionals, is putting it mildly. His statement riled many in the audience, including me, because it displayed a lack of depth and personal awareness. Work-life balance warrants more than a throwaway comment about choice and personal responsibility.

But that doesn't mean that HR departments can either teach employees such balance or insist on it. If we had an honest conversation in the workplace, people would admit that there is absolutely no balance between their work and personal lives unless *they* choose to have balance. No manager or HR executive can make that choice for employees. Of course, there are times when balance is impossible, but managing change and chaos is part of being an adult. To pretend otherwise is both naïve and discouraging.

Unfortunately, today's workforce is engaged in a codependent relationship with its employers. Instead of building upon the dreams of our forefathers and pursuing new and innovative goals at work, employees must ask for permission before scheduling doctor appointments or attending parent/teacher conferences. We have a vibrant and talented labor pool in America that is entrusted with shareholder wealth—yet workers must ask for a hall pass to visit the dentist and take the dog to the vet?

Discussion about work-life balance begins by ditching the touchy-feely garbage that most HR departments churn out. Instead of offering chair massages at lunch and holding benefits and wellness seminars for stressed-out employees, treat your people like adults. Don't ask them to stop what they're doing in the middle of the day and attend a company-mandated presentation on work-life balance. Don't micromanage their time. Let your workers manage their own time. Let them make their own choices. Then give them the freedom to act on those choices.

If you provide a positive work environment and respect the contributions of your colleagues and peers—and you commit to recognizing and rewarding excellence—you will find yourself with great work and honest employees who exceed your expectations.

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more about his machine and that manufacturing line than anyone. And when we initiated an exercise last year to make that line more efficient, Ted had the best ideas for how to improve things. Afterward, I bought him a cup of coffee and asked why he had never made those suggestions before. ‘Those college-educated production managers are so sure they have the answers, all they do is tell me what to do,’ Ted told me. ‘They never ask what I think.’”

The plant manager shook his head. “What a waste of brainpower,” he said. Then he smiled. “Want to know my secret? It’s Ted, and the other eight hundred employees at this plant. If I respect Ted and listen to him, we’ll be successful.”

DOES EVERYTHING MATTER EQUALLY?

Of course, the plant manager was being modest. Although listening was certainly the key to his success, there was a lot more to his winning management approach. One of his strategies is particularly relevant to today’s economic crisis: establishing clear priorities. With all the turmoil your organization is likely facing, employees may not understand where the company is heading and what they should be working on. For example, a Towers Perrin study found that only 63 percent of 650,000 employees surveyed agree that top management provides a clear sense of direction, down from 71 percent last year.

This lack of focus not only means employees may not know where to best concentrate their efforts—it contributes to their feeling overloaded. The Towers Perrin survey found that just 55 percent of employees agree that they can balance work and personal responsibility, a decline of 7 percent from 2008. (See “A Choice Only You Can Make” on page 57.) As one financial-services employee told me recently: “I often feel like I’m just spinning my wheels. I’m here until 7 or 8 p.m., doing work that I’m not even sure makes a difference. I don’t mind putting in the hours, but it would be helpful to be given a sense of direction about what’s really mission-critical.”

Here are two mistakes you’re prob-

ably making when articulating priorities: First, you aren’t specific enough. Concepts such as “focus on customer service” are too vague to help employees make daily decisions. Especially during tough times, workers are looking for absolute clarity: “Focus on this (get product out the door), not on this (work on process improvements).” On the surface, it may seem like setting priorities is the same as issuing commands, but there’s a critical difference. Establishing priorities means pointing employees in the right direction. It *doesn’t* mean micromanaging:

NO SPECIAL TRAINING REQUIRED

BY JOHN HOLLON

I’ve said this before, and I’ll say it again: The millennial generation (born 1980 or later) is no better or worse than any other generation that came before. Yes, they have their own unique generational issues, but in my close experience with them, millennials reflect what you find in other generations and society as a whole—some are good, some average, some clueless.

In my personal experience with the millennial generation—I hate the nonsensical and meaningless Generation Y tag that some use to describe them—I have found that there is no one way to characterize or manage them. The three millennials to whom I am closely related are as different as any three people you would find on a street corner. And the classroom of millennials to whom I teach writing each semester at a local university follows this same pattern.

In other words, there is no single way to manage or deal with the millennial generation, just as there is no single way to manage any other generation that exists in today’s workplace. Any experienced executive should know this, and that’s why I am scratching my head at the huge industry that seems to be springing up around helping train managers to “deal” with millennials.

What is it about this generation that makes us unable to communicate with or understand them? Why do we now suddenly need paid consultants to figure out how to deal with younger workers? Is this something we really need and can’t figure out on our own without a pricey “leadership coach”?

You know the answer to that: It’s not, and we don’t. Good managers have *always* had to figure out how to deal with a variety of different generations and personalities in the workplace.

The notion that the millennial generation is so unique and different from generations before them is nonsense. They are different, yes, but so is every other generation, and it’s something that managers dealt with long before pricey leadership coaches came along and decided we needed their services.

To me, this is just another way to bash the millennial generation and prey on insecure (or clueless) managers and executives in order to squeeze a few dollars out of them.

Frankly, the whole notion of a management coach is a silly concept that we could do without, but that’s another gripe for another day. Still, I think you have to question your ability as a manager if you have to spend money for a “leadership coach” to teach you how to talk to a segment of your workforce.

If you can’t figure out how to manage millennials, you have far bigger issues than any pricey leadership coach can help you with. It’s akin to flushing the money down the toilet and just about as useful too.

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MOTIVATING WORKERS IS NOT ROCKET SCIENCE . . .

. . . but it may be brain science. Some of the most valuable insights about how to motivate the new workforce are coming not from management experts but from scientists studying behavioral economics, psychology, and neuroeconomics. Therefore, in order to inspire workers to work better, your first stop should be your marketing department's resident genius, the one in the black T-shirt and European glasses. He's been spending the past year or so boning up on brain science, in which researchers hook people's heads up to wires and put them in fMRI scanners to test their reactions to different stimuli.

Take him out for a veggie burger, and he'll overwhelm you with talk about somatic markers and the brain's sensory cortex and synapses and neurotransmitters. But if you bring the guy down to earth, he'll also share insights that he's using in marketing to influence customers, which you can apply to motivate your employees. For example, here are a few motivating factors revealed through brain science:

EMOTIONS, NOT LOGIC, DRIVE DECISIONS. We human beings like to believe that we're sensible creatures who use logic to make decisions. Brain science suggests otherwise. As Charles S. Jacobs writes in *Management Rewired*, "We're not reasoning the way we think we are. Mental processes we're not conscious of drive our decision making," while logical reasoning "is really no more than a way to justify decisions we've already made."

That means that all those facts and figures you put into PowerPoint presentations don't work to change the minds of employees, colleagues, or even senior management. What *does* work? Stories, because our brains respond to them as mini-movies that light up our convergence zones. (If you think back to the main article, the story of Ted the manufacturing worker is probably much more vivid—and more persuasive—than the statistics about engaged employees.)

WORDS HAVE MUCH LESS EFFECT THAN VISUALS. Leaders and managers spend a lot of time struggling to get the words right in both written and verbal communication. But we don't really value words as much as we think we do, according to Dan Hill, author of *Emotionomics*. Hill quotes scientific studies that demonstrate the greater importance of visuals: Two-thirds of the stimuli reaching the brain are visual, over 50 percent of the brain devotes itself to processing visual images, and 80 percent of learning is visually based.

What does this mean for managing? That old expression "walk the talk" holds true. What you do means a lot more than what you say. Even your facial expressions matter, since 55 percent of communication is received based on nonverbal communication.

TRADITIONAL FORMS OF FEEDBACK AREN'T EFFECTIVE. Social scientists have known for some time that negative feedback doesn't change behavior for the better. What's more surprising is that positive feedback that's too superficial is not effective, either, in that it doesn't result in people striving to do more of what they were praised for.

So what is effective? Brain science supports what the plant manager in my story knew intuitively: Asking your workers what they think will motivate them. A conversation that takes the tone of, "How are you doing?" is much more persuasive than the traditional "here's your rating" performance smackdown. —A.D.

"Move your right foot first. Now your left. Now your right . . ."

(And by the way, if you're thinking, "But *everything* is a priority!"; you've got a more serious management problem. Time is finite. It's impossible to do everything. Some things are simply more important and urgent than others. You need to let go of the notion that "It's all a priority" and free your employees of the heavy yoke of Everything Matters Equally.)

The second mistake about articulating priorities is not doing it often enough. In business today, how often do things change? Probably several times a day. Yet many leaders communicate to employees once a quarter or less. You need to get in front of people every month and say: "Thanks for your hard work last month. Here's how we did, and here's what we need to focus on this month. Thanks again for your efforts."

We're approaching the end of the era when simply issuing directives was enough to spur people to action. For better or worse, tomorrow's employees will be smarter, savvier, and more self-sufficient than any pre-

vious generation. You need to be ready for them by adopting a management style that capitalizes on their strengths. Otherwise, your time-warped management practices will threaten your company's future.

As it is, your employees aren't feeling very motivated. Gallup reports that organizations that laid off employees between July 2008 and March 2009 saw the number of "actively disengaged" remaining workers rise by three percentage points, to 24 percent. Even companies that didn't downsize have a sizable chunk—17 percent—who register as actively disengaged.

One from fallout from this "disengagement" is lack of trust: Fewer than two out of five employees have trust or confidence in senior leaders, according to a Watson Wyatt Worldwide study. So you need to act fast to change the way you manage and to regain the confidence of employees. As your organization tries to claw its way out of the recession, you'll need every bit of your workers' experience, intelligence, and dedication. After all, your best assets are . . . well, you know the rest. ■