

Krauthammer Observatory 2009

What behaviour do European employees seek from managers?

How do those managers behave in reality?

What does a snapshot of the business climate reveal?

How committed are employees to remaining in their organisations at the present time?

And what is most important in securing that commitment?



living performance

Everything starts and ends with people

Organisations are communities of people, rather than simply vehicles for making money. People who are working together to improve their own lives, and the lives of those they feel responsible for. The task of management is not, primarily, to improve figures, products, systems or processes. Management is about helping people succeed.

The past twelve months – and indeed the coming period – can be justly described as ‘interesting times’. For some, the shock has been all the greater, given the artificial paradise we were living in pre-crisis.

From what felt like solid architecture, firm intentions, we have entered a landscape of shifting sands and constant revision. And none of us knows where the bottom is – or so it seems.

We expected that people surveyed this year would report significantly higher business pressure than in previous years. And yet this is not the case. People appear to be more pressure-resistant than we might have expected, and are demanding the same standards of managerial behaviour, in similar areas. One implication of this relative stability is that temporary ‘crisis prescriptions’ for human development may turn out to be false prescriptions – managerial placebos. And worse – rather than focussing minds on solutions to the current problems, they might actually distract attention away from them. Managerial fundamentals, this research suggests, remain just that.

The research also revealed something else which we urge managers to take very seriously. The commitment levels of employees are surprisingly low. And job security is not as important to people as we might believe. Furthermore, job satisfaction – a key commitment factor - is under threat, our research reveals. To compound the problem (or perhaps as a cause of it) we witness persistent gaps in management performance. Talent cannot be relied upon – even now.

Are some managers – perhaps unconsciously – allowing their standards to slip, relying on the belief that their staff are ‘hanging on to their jobs no matter what’? This could be a harmful misconception. More than ever, our 2009 survey sees the need for managers to strive for exemplarity - employees are as alert as ever.

That’s the sobering news. The good news is that our full report gives clear indicators as to where the biggest needs and gaps lie. We also offer some intriguing theoretical insights into what makes us behave the way we do, and practical guidelines for managers to behave in a way that truly ‘brings out the best in people.’ Not only is this the key to organisational vitality now and in the future. Installing exemplary reflexes can transform the job of a manager - from a painful and exhausting struggle, into a pleasurable and invigorating voyage. It *is* possible to become a ‘born manager’ – given guidelines, self-interrogation, and practice.

Time, then, to shamelessly reiterate the message we delivered last year. Especially now, your organisation may be undergoing a seismic shift - a merger, a large scale acquisition, a major off shoring or outsourcing programme. Now, more than ever, it is likely to be intensively streamlining operational processes, ‘downsizing,’ drawing on the wealth of management tools now riddling modern organisations.

And still, no matter how elegant or well-researched your strategy and implementation plan, no matter

The commitment levels of employees are surprisingly low. And job security is not as important to people as we might believe. Furthermore, job satisfaction – a key commitment factor - is under threat, our research reveals.

Meanwhile, we witness persistent gaps in management performance.

Talent cannot be relied upon – even now.

how high-performing your software systems, organisations remain communities of *human beings*. And these people need to answer three basic questions to ensure that strategy transcends powerpoint presentations and takes root in hearts and minds. *Does this make sense to me? Am I willing to contribute? Am I able to do it?* The extent to which employees can answer these questions depends upon the quality of the way they are managed – and manage *themselves*. Every year in Europe, hundreds of millions of Euro are spent on getting managers to do better. And HR responsables

are continuously urged to 'improve return on investment' in management performance. Finally, the issue of 'getting and keeping the right people' has become a serious concern. Time to assess, evaluate, and refocus? We believe so.

"When I am trying to detect high potentials, or improve management performance, I don't know where to start. What are the 'must-haves' of management?" the HR Vice President of an international software engineering company asked us. And for 'downsizers' – the vexed question is 'who do we want to keep on the bus?'

About Krauthammer Observatory.

We all know 'born managers' – people who, apparently effortlessly, facilitate us. Who seem stress-resistant yet dynamic and inspired. We also know how rare they are, and how difficult it is to put a finger on exactly how they do it.

So what position are you in? Are you a manager of others – a project, a small team, a division, an entire organisation? What do you seek? To better manage yourself? Or to better evaluate the performance of your manager, to detect and express your needs in a concrete and constructive way? If you are an HR professional, are you tempted by the notion of reinstalling common sense into management and leadership development?

This report makes the innate talent of so-called 'born managers' explicit – and replicable.

Its ultimate intention is to produce a valid model which enables managers and those responsible for their development to identify the *dimensions which really matter – those which are key to sustainable performance* - a 'dashboard' of core behaviours. These concern the precise ways in which managers

interact with employees - and with themselves.' And these, we argue, are the areas upon which managers can - and should - concentrate in the drive for sustainable performance. *

Management behaviour - from intuition to information

Krauthammer Observatory is a research-based initiative, which over five years will explore management behaviour in Europe, building up its population of respondents. Each year, the observatory will cover two areas:

Firstly, we will fill our dashboard with data regarding expected and actual behaviour. Secondly, we will take the temperature of the work climate, examining work, harmony and trust in employee-manager relationships and contact vectors, employee commitment and job satisfaction.

In April 2007, the first survey was published, and provided us with the first indicators for our model. In 2008, more data helped us to further enrich and refine it. In 2009, we have repeated the exercise again, taking us closer to our goal, which we intend to conclude – and launch - in 2011.

The results of our surveys have consistently revealed serious defects in management practice.

In 2009, we focus on the top ten behavioural practices sought by employees. We also investigate the commitment levels of employees, their job satisfaction, and what they consider in deciding whether or not to remain in their current organisation.

**Those familiar with the Observatory may recall a "four dimensional dashboard" from previous editions. After statistical analysis, (factor and Cronbach's Alpha testing) we concluded that the four dimensional dashboard, whilst operative as a working model, required further refinement. Over the coming two years, we will gather ever more data to produce a robust model which obeys the MECE principle as much as pragmatically possible in the realm of human behaviour – Mutually Exclusive and Collectively Exhaustive. Readers intrigued by our interim conclusions and prototype are welcome to contact us and even challenge our findings to date.*

At present, we will restrict this report to the behaviours most sought after by employees – which, we argue and trust – are already compelling and challenging enough to give plenty of food for thought – and focus – for managers and those responsible for their development.

Krauthammer Observatory 2009 – topline findings

“Like parenting, management is very difficult to do well and is both undervalued and undersupported. This is a mistake. Management is about people's lives - it is simply too important to neglect.”

Ronald Meijers, Co-Chairman of the Executive Board, Krauthammer

Part 1 Management behaviour - the helicopter view.

Whilst the majority of managers (64%) are behaving in an exemplary or at least operational way, the behaviour of a third (33%) is at best penalising, and at worst, frankly disqualifying.

A third of managers are behaving in an exemplary way.

Compiling the scores across 27 behavioural areas, (see the top ten overleaf) we see that only a third of managers (33%) are behaving in an ‘exemplary’ way or at ‘level four’. This means that the manager assimilates the full complexity of his or her environment, develops an active relationship and ensures that performance is stepped up. So what does this imply in practice? If we take as an example the readiness with which a manager questions his or her own point of view, an employee enjoying this level of behaviour will observe that the manager self-questions ‘spontaneously’.

And a third of managers are behaving in an operational way.

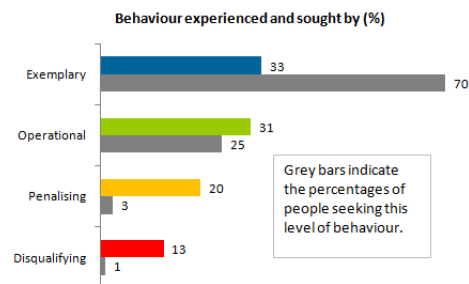
Around the same numbers of managers (31%) are displaying behaviours at an ‘operational’ level. When adopting ‘level three’ behaviour, the manager understands or embraces part of his or her environment, creates a minimum relationship and maintains performance. Taking self-questioning as an example again, the ‘operational’ manager will question his or her point of view ‘if given evidence that the alternative is more effective’.

Yet one in five managers is behaving in a penalising way.

One in five managers (20%) is displaying ‘penalising’ or ‘level two’ behaviour. The ‘level two’ manager ignores his or her environment, does not build up a relationship and cuts back performance. Looking again at the example of self-questioning, we see that the ‘penalising’ manager questions his/her point of view ‘only rarely, and then only if obliged to for personal stakes’.

And one in ten managers is behaving in a disqualifying way.

Finally, when it comes to ‘disqualifying’ or ‘level one’ behaviour, we see that just over one in ten managers (13%) is behaving in a way that ignores his or her environment, impairs the relationship and actually blocks performance. Our example of self-questioning is almost redundant at this level. The manager questions his or her point of view by always having to be right, preferring failure to admitting being wrong.



...zooming in...2 burning platforms

“Please analyse a task problem together with me, and help me see it in a new light. And if you make a mistake, accept full responsibility – spontaneously”. So say nine out of ten employees.

For 3 years, we have been asking employees about the behaviour they seek and experience from their managers. And each year, 2 practices rank top of the list – in this order:

“Help me see things differently”, say nine out of ten of employees (95%). If they have difficulties in executing a task, their manager should analyse the problem together with them, helping them to look at it in a new light. Obvious? Apparently not, since only half (52%) of managers generally take this approach. A quarter (25%) make their own analysis and then present it to the employee for agreement. One in ten (12%) dictates a course of action without any prior analysis or consultation, and similar numbers (8%) simply demand an immediate solution.

If one thing is in surplus in the current climate, it is task difficulty. And if only half of employees are getting constructive help, the quality and speed of their solutions, and possible feelings of isolation in a time when teaming up is vital, constitute a powerful call for change.

“Own up”, say eight out of ten (88%) of employees. If a manager has made a mistake, s/he should accept full responsibility – spontaneously. Undeniable, especially now? Yet only four out of ten employees (43%) say their manager spontaneously accepts full responsibility for mistakes. One in five managers (22%) prefers to admit the “mistake has been made” – without assuming responsibility. And a quarter (26%) dismiss the importance of the mistake or justify themselves. Finally, nearly one in ten (7%) shifts the blame onto others.

Admitting mistakes is like a trip to the dentist. Act regularly and early, to avoid later loss of teeth, extensive repair work, and bills you find it difficult to pay. We trust the business analogy is crashingly obvious...

Ready for your close-up? 10 areas to focus on

Of the 27 behavioural areas we surveyed, what are the top 10 behaviours sought by employees in these ‘interesting’ times? And what are their managers doing? Significant gaps are to be found, as in previous years. In the full report, you will discover exactly what lies behind these behaviours, and find constructive, practical messages for every day application.



Part 2– the business climate

Trust

Six out of ten people (60%) report high levels of trust in their manager. These scores are lower than those of our 2008 survey, where seven out of ten people (68%) reported high trust levels.

Furthermore, nearly one in four people (23%) is feeling neutral, so that trust cannot really be said to be present. And in one in five cases (17%), people actually distrust their manager.

Harmony

Nearly three quarters of people (73%) rate their relationship with their managers as harmonious – significantly more than strongly trust their managers. Is some of this so-called ‘harmony’ more a question of ‘keeping the peace’ - masking underlying dysfunction? One in five (19%) admits all is not well - feeling neutral about harmony, and one in ten (8%) shows strong symptoms of a conflictual relationship. (And we see that, throughout the survey, around 8% of managers are displaying ‘disqualifiable’ behaviour...)

Business pressure

Four out of ten people (41%) are feeling neutral about the business pressure they are experiencing – meaning that they could swing one way or the other depending on events (or their resistance to them). And similar numbers (43%) even report that the pressure is very much, or totally tolerable. So that 16% of people are finding the pressure difficult to bear – similar numbers as in 2008. If anything, the reports are slightly more positive than in 2008.

Part 3 – employee commitment and job satisfaction

Commitment levels

Seven out of ten people (73%) are committed to remaining in their organisation over the next 12 months. Only four out of ten (41%) are very committed, however. Given the difficult climate, where we might suppose that people are strongly inclined to stay put and ‘weather the storm’ for the foreseeable future, these figures are surprising. Furthermore, one in four people (27%) is neutral or even uncommitted. A considerable minority.

What factors influence employee commitment to their organisation? According to this survey, employees seem more interested in the content of their *current* job, than where they are headed, and seem surprisingly relaxed about job security. They also seem more interested in recognition than in status. And whilst salary matters, it is not a primary motivator. It seems that, at the present time, employees are highly focussed on getting the job done, here and now, and that anything outside that impetus is less of a priority.

Job satisfaction

Only 15% of employees really experience ‘positive and pleasurable emotions’ when thinking about their jobs. And yet job satisfaction is the most important commitment factor mentioned by employees. So managers are invited to take these results seriously – remembering the low commitment levels reported.

Managers who are relying on the commitment of employees in the current economic climate – no matter how poorly those employees are managed – are strongly urged to think again.

- ➔ For 3 years, we have been asking employees about the behaviour they seek and experience from their managers. And each year, we find significant gaps between desires and reality. This year is no exception. The majority of managers (64%) are behaving in an exemplary or at least operational way. However, the behaviour of a third (33%) is at best penalising, and at worst, frankly disqualifying.
- ➔ Each year, our research reveals that two practices rank top of employees' wish list – in this order: "Please analyse a task problem together with me, and help me see it in a new light. And if you make a mistake, accept full responsibility – spontaneously". So say nine out of ten employees.
- ➔ Despite widespread dysfunctions in management behaviour, six out of ten people (60%) report high levels of trust in their manager. These scores are however lower than those of our 2008 survey, where seven out of ten people (68%) scored their trust in their manager highly.
- ➔ Nearly three quarters of people (73%) rate their relationship with their managers as harmonious – significantly more than strongly trust their managers. We ask whether some of this so-called 'harmony' is more a question of 'keeping the peace' - masking underlying dysfunction?
- ➔ We ask people about the tolerability of the business pressure experienced. If anything, the reports are slightly more positive than in 2008. Four out of ten people (41%) are feeling neutral about business pressure – meaning that they could swing one way or the other depending on events (or their resistance to them). And similar numbers (43%) even report that the pressure is very much, or totally tolerable. So that 16% of people are finding the pressure difficult to bear – similar numbers as in 2008.
- ➔ Seven out of ten people (73%) are committed to remaining in their organisation over the next 12 months. Only four out of ten (41%) are very committed, however. Given the difficult climate, where we might suppose that people are strongly inclined to 'stay put' and 'weather out the storm' for the foreseeable future, these figures are surprising.
- ➔ What factors influence employee commitment to their organisation? According to this survey, employees seem more interested in the content of their *current* job, than where they are headed, and seem surprisingly relaxed about job security. They also seem more interested in recognition than in status. And whilst salary matters, it is not a primary motivator. It seems that, at the present time, employees are highly focussed on getting the job done, here and now, and that anything outside that impetus is less of a priority.
- ➔ Only 15% of employees really experience 'positive and pleasurable emotions' when thinking about their job. And yet job satisfaction is the most important commitment factor mentioned by employees. So managers are invited to take the results seriously – remembering the low commitment levels of employees at the present time.

Contents

- Methodology 10
- Part 1** 11
- The 10 most wanted behaviours* 11
- 1 Solving task problems 12
- 2 Admitting mistakes 14
- 3 Giving autonomy..... 16
- 4 Delegating constructively..... 18
- 5 Encouraging self-expression 20
- 6 Solving dilemmas 22
- 7 Solving conflicts 24
- 8 Identifying talent 26
- 9 Fixing objectives 28
- 10 Monitoring results 30
- Part 2** 32
- The business climate* 32
- The employee-manager relationship 33
 - Trust 33
 - Harmony..... 33
- Contact between employees and managers 34
 - Frequency 34
 - Vectors 34
- Business pressure 35
- Part 3** 36
- Employee commitment and job satisfaction* 36
- Employee commitment levels and factors 37
- About the survey..... 40
- About the authors 41

● Full report

“

Senior managers, especially, are invited to beware of paying lip service to crucial behaviours, whilst dismissing them as 'too basic'. Or by assuming an air of 'left that all behind me when I was a junior'.

Here's a quote which illustrates the combination of ignorance and arrogance displayed by many senior managers: "Listening? Yeah, I had that skills training when I was 28".

Sophistication stems from the mastery of essentials!

Ronald Meijers is Co-Chairman of the Executive Board, Krauthammer



How many of the people who rated their managers' behaviour as 'less than exemplary' spoke about this with their manager? How many have tried to help their managers understand what they need?

I'm concerned about a lack of open dialogue between managers and direct reports.

Marjon Oosterhout has 17 years' global experience in leadership and organisation development, change and talent management in Nissan, GE, ICI and Shell.

”

Methodology

Krauthammer is building up a European dashboard of management dimensions. This means researching the behaviour employees seek and experience for 27 essential management practices, such as the way managers 'question themselves' or 'seek feedback'.

This report contains the results of the third edition of the Observatory. It also takes the temperature of the business climate in which people are operating, as well as measuring their commitment and job satisfaction. Over the next two years our Observatory will fill the dashboard with ever more data concerning the behaviour employees seek and receive.

27 areas of practice... observable managerial behaviour

To explore the kinds of practice people seek – and compare this with what they generally experience, respondents to the survey are given 27 multiple choice questions. For each area of practice, respondents consider two perspectives:

- ➔ For sustainable performance, what behaviour do you believe your manager *should adopt*?
- ➔ And, what behaviour do you *actually observe* most of the time?

Each area of practice is now declined into four observable behaviours presented as a multiple choice.

The behaviours have been devised according to the following scale, and we take 'self questioning' as an example of a behaviour.

- 4 **Exemplary:** The manager assimilates the full complexity of his or her environment, develops an active relationship and ensures that performance is stepped up. (*Questions his/her point of view 'spontaneously'*).
- 3 **Operational:** The manager comprehends part of his or her environment, creates a minimum relationship and maintains performance (*Questions his/her point of view 'if given evidence that the alternative is more effective'*).
- 2 **Penalising:** The manager ignores his or her environment, does not build up a relationship and cuts back performance. (*Questions his/her point of view 'only rarely, and then only if obliged to for personal stakes'*).
- 1 **Disqualifying:** The manager ignores his or her environment, impairs the relationship and prevents performance (*Questions his or her point of view by always having to be right, preferring failure to admitting being wrong*).

Most behaviours, and their related questions, are derived from 'The 4LS evaluation' a tool developed by Daniel Epling and Laurent Magnien of Krauthammer and the publication by the same authors: 'Quel manager êtes-vous?' (Eyrolles, 2005). The tool is widely used to evaluate and benchmark the managerial behaviour of training and coaching participants.

●● Part 1

The 10 most wanted behaviours



1 Solving task problems

If one thing is in surplus in the current climate, it is task problems. Surely managers should be getting expert at helping people solve them? In reality, only half of managers (52%) will analyse a problem together with their employees, and help them look at it in a new light. The rest will take over the controls – trying to solve the issue themselves. Or demand an immediate solution...

The case

John, a new production manager for the Blueberry product line at MSG Networks, is at a loss. Demand for the newly launched 573 model has exceeded the marketing department's best estimates, and retail networks are demanding a delivery date.

Unfortunately, John has none to give, because MSG Networks' biggest microchip supplier in Cologne has just announced bankruptcy. And the backup supplier in Mumbai cannot be reached by telephone or email. Failing to arrive at a solution, John goes to see his boss, Mylène, who is Operations Director for the Blueberry line.

How should Mylène react?

Like 95% of employees faced with a problem, John wants his manager to analyse the problem together with him and help him to look at it in a new light. But how likely is she to do this? According to our survey, the chances of Mylène adopting this "exemplary" behaviour are evenly split. Between an approach which is constructive and empowering, and a range of rather less desirable behaviours.

52% of managers will indeed analyse the problem with their employee, and help him or her to look at it in a new light.

However, a quarter (25%) – so a significant minority - will leap immediately into problem-solving mode. They will make their own analysis, then present it to their troubled employee for agreement. This may seem an efficient strategy. However, it will place the employee in a position of dependency; he or she will learn little or nothing from the experience so that neither his or her problem-solving capacity nor self-confidence will improve. And still, whilst 'presenting the solution for agreement' is not the optimum response from a manager to an employee with a problem, it is at least 'operational' – performance will be maintained.

If one thing is in surplus in the current climate, it is task problems.

Yet only 52% of managers will analyse a problem together with their employees, and help them look at it in a new light.

The rest will try to solve the issue themselves. Or demand a solution...

A more 'penalising' approach to John's problem would be for Mylène to dictate the course of action to follow – without prior analysis or consultation. It may be hard for some readers to imagine taking a position which might actually cut back performance. And this, due in part to the lack of information at the manager's disposal, as well as the disempowerment such an attitude will bring about. Yet despite this, around one in ten managers (12%) would dictate without analysis, according to our survey.

Worse still, at a "disqualifiable" level, Mylène would not go on a problem-solving journey at all. Not only would she fail to undertake any prior analysis or consultation, she would even demand an immediate solution. Worryingly, nearly one in 10 managers (8%) tends to do exactly this, according to our survey.

Solving task problems calls upon a range of fundamental management skills. Maintaining a positive inner attitude is key – the confidence that the employee is able to find a solution with encouragement and help.

Management messages

- ➔ Solving task problems calls upon a range of fundamental management skills. Maintaining a positive inner attitude is key – the confidence that the employee is able to find a solution with encouragement and help.
- ➔ From *'I am your manager!'* to *'We are a team!'* – this shift in attitude can make for collaborative solutions. Managers are advised to exercise the belief that the combined knowledge and competencies of manager-employee can and will solve the problem – as can their combined network - identifying those colleagues who can help.
- ➔ When an employee falls out of his or her helicopter, 'storytelling' is a helpful way to guide him or her back towards healthy objectivity. And getting that story will be further supported by open questions and active listening - including waiting for that last, vital, drop.
- ➔ Open minds can be both mirrored and positively influenced by an open body posture and non-verbal communication – inviting transparency, inspiring confidence, and encouraging creative thinking.
- ➔ Managers are invited to resist the (powerful) urge to solve the problem in the employee's place – even though it is highly likely that they have already arrived at a solution. This involves pulling out a new cognitive map – from 'I am paid to be the best' to 'I am paid to bring out the best in others.'
- ➔ If no solution comes from the employee despite the best efforts of both parties, managers are invited to humbly propose a solution – or better - two or three options. Asking the employee not only what his or her opinion is but how s/he feels about the idea – checking whether he or she sees the sense, feels he has the ability to carry out the solution, and is willing to perform the necessary actions.





2 Admitting mistakes

Managers are slow to learn the lessons from the crisis, it seems. Only 43% of managers tend to admit full responsibility – spontaneously – for their mistakes. The rest will fall into defence mechanisms, either admitting the mistake has been made without actually assuming responsibility, dismissing its importance or justifying themselves, or even blaming other people.

Managers are slow to learn the lessons from the crisis, it seems.

Only 43% tend to spontaneously admit responsibility for their mistakes.

The rest fall into defence mechanisms...

The case

As soon as the situation with the chip supplier is under control, John faces a new challenge – this time on a personal level. His father falls seriously ill, and is taken into hospital for treatment and tests. Seeing the stress on John's face as he walks past her office, Mylène invites him in, and asks him gently what is wrong. "Can I do anything to help?"

"I should go into the hospital next Wednesday morning to be with my father," says John, "The test results will be back then, and it may not be good news."

"Of course!" says Mylène. "We'll cover for you. Meantime, if you need any support, we are here."

Mylène has a tough week. She has strict deadlines, and some unexpected events block an important project she is leading. John's request for absence slips her mind. On Wednesday afternoon, John walks into her office. "Ah, John!" says Mylène, "I was wondering where you were! Could you look at this document for me? It was supposed to go out this morning, but I didn't know where you were." John reads the document, approves it, and quietly leaves Mylène's office.

Three minutes later, Mylène realises her mistake. What should she do?

Nearly nine out of ten employees (88%) would expect Mylène to admit full responsibility spontaneously for this oversight. How likely is it that she would do that? The chances of her doing this, rather than taking a less exemplary approach, are far from guaranteed. Because only 43% of employees report that their manager tends to adopt this level of behaviour.

Nearly a quarter (22%) will reservedly admit that a mistake has been made – without assuming responsibility – a form of behaviour that is at least "operational".

Similar numbers (26%) tend to fall victim to a defence mechanism – dismissing the importance of the mistake, or justifying themselves. And around one in ten will adopt a position which we could describe as 'penalising' – which is to transfer the blame onto others.

Our perception about mistakes is often unhealthy – seeing the world as a benevolent rather than a hostile place can mean multiple benefits for manager and employee alike. From “my employees will perceive me as weak if I make mistakes” to ‘my employees will applaud me for my transparency’. Knowing, too, that employees questioned in three waves of Krauthammer Observatory have consistently demanded that managers should spontaneously take responsibility for their mistakes.

Management messages

- ➔ Our perception about mistakes is often far from healthy – and making a shift from seeing the world as a hostile environment, to seeing it as a constructive, understanding and benevolent place, can mean multiple benefits for manager and employee alike. From “my employees will perceive me as weak if I make mistakes” to “My employees will applaud me for my transparency”. We can find reassurance and support for this difficult shift, knowing that employees questioned in three waves of Krauthammer Observatory have *consistently* demanded that managers should spontaneously take responsibility for their mistakes.
- ➔ Once we have made an attitude shift, ‘learning by doing’ should become the motto. We practice the behaviour until it becomes a reflex. Admitting mistakes is very difficult to do, and avoiding it is one of the most profound tendencies we observe.
- ➔ When admitting our mistake, best practice is to get straight to the point - without justifying ourselves. (“I’m sorry I did this and take responsibility BUT let me explain...”)





3 Giving autonomy

“If a job’s worth doing, you might as well do it yourself!” Does the old maxim still hold true? Apparently so - only 38% of managers adopt a facilitative mode when delegating – encouraging the employee to find his or her way, providing the appropriate help. Most either give their own ideas, leaving the employee to fill in the gaps or challenge them, impose ‘their way’, or show no interest - only imposing a few trivial details.

“If a job’s worth doing, you might as well do it yourself!” Does the old maxim still hold true?

Apparently so - only 38% of managers adopt a facilitative mode when delegating...

The case

Whilst John has been finding his feet in his new role as production manager, Mylène has been managing the re-negotiation of MSG’s contract with its packaging suppliers. The project also involves identifying alternative suppliers – calling into question, too, whether MSG should retain its suppliers in Sweden, or look further to the Asia Pacific region. It is a complex question, with implications for MSG’s CSR (corporate societal responsibility) standards.

Mylène is pleased with John’s performance in his new role, and so she has decided to hand over the project to John – even though it is a stretch target.

How should she handle the transfer?

John knows how he would like it to be conducted. In his view, Mylène should give him autonomy when she delegates the project to him – and this means encouraging him to find his way, providing the appropriate help. In this, he is like the majority of employees – 83% seek this ‘exemplary’ approach from their managers when they delegate. How likely is Mylène to practice this level of trust in her new employee?

Once again, the chances that Mylène will be exemplary are far from certain, since only 38% of managers give their employees autonomy when they delegate. What almost as many (37%) do, is to give in to that powerful urge to direct, rather than facilitate. Their tendency? To start by giving their own ideas, leaving the unfortunate employee to fill

in the gaps, or challenge the manager’s lead. Whilst this is ‘operational’ behaviour, it is far from empowering.

Rather less common, and fortunately so, is the next level of ‘penalising’ behaviour. And this is that the manager imposes his or her way of doing things. According to our respondents, 15% of managers adopt this rather dictatorial approach.

So what kind of behaviour would mean that Mylène’s behaviour is ‘disqualifiable’? In this instance, she would show no interest in the project or the way she delegates it, but still impose a few trivial details. Should she behave in this way, she would form part of a tiny minority of managers. Only 2%, according to our respondents, tend to behave in this unpredictable way.

Employees value 'responsibility' highly as a factor determining their commitment to remain in their organisation. So that, 'right delegation' - consciously entrusting responsibility to an employee - carries the weight not of a burden, but of a positive anchor to the organisation.

Management messages

- As a manager, are you *responsible* for what you delegate, or rather, *accountable* for the ultimate result? It helps to define the difference upfront. The RACI matrix is an invaluable support. According to this, roles are defined as follows. 'Responsible' means executing the activity and delivering the result. Is this activity the thing that you wish to delegate, or retain? On the other hand, the 'Accountable' individual is ultimately authorised to decide. Might this be the preferred managerial role, in this particular case? (Those who are 'Consulted' can expect their input to be asked prior a decision being taken. As one who is 'Informed' you can expect to be contacted once a decision is taken.)
- We will see later that employees value 'responsibility' highly as a factor determining their commitment to remain in their organisation. So that, 'right delegation' - consciously entrusting responsibility to an employee - has weight not as a burden, but as a positive anchor to the organisation.
- The management messages delivered in the chapter 'solving task problems' are equally valid for the management act of giving autonomy. And these are as follows: the manager is invited to maintain a positive inner attitude, ask open questions, listen actively, resist the urge to solve a problem 'for' someone instead of 'with' someone, and a healthy dose of humility.





4 Delegating constructively

Only 32% of managers take an employee's capacity and personal development into account when delegating. The rest consider only the employee's competence and/or workload, and 24% only have their own workload in mind, calling into question whether they are delegating, or dumping.

The case

Myliène transfers the re-negotiation of the packaging contract over to John, who is at the same time delighted and nervous about the complexity and scope of his new commitments. In turn, John wants to delegate a project to Andrew, his deputy. A new version of MSG's quality control software is being piloted, and it is now a question of monitoring its performance, determining the production department's satisfaction levels with the software, in terms of its ease of use, accuracy and flexibility. John calls Andrew into his office.

What, according to Andrew, should John take into account when delegating the software pilot?

What Andrew, like 81% of employees, seeks, is that John should delegate in the most constructive way possible. So that John, at 'exemplary' level, will take not only Andrew's capacity in delegating, but the way in which this project will serve the 'construction' of Andrew's personal development. Andrew's chances of receiving such a constructive approach are once again far from guaranteed. Only around a third of managers (32%) take an employee's capacity *and* personal development into account when they delegate.

Delegating or dumping?

Only 32% of managers take an employee's capacity and personal development into account. The rest consider only the employee's competence and/or workload, or their own...

The same number – 32% - act at an 'operational' level – which is to say that they take the employee's capacity – in terms of competence and workload – into account, when they delegate a task.

A small minority – 5% - operate at a 'penalising' level – taking only the employee's workload into account when delegating.

Far more managers – worryingly – have a very single-minded focus when delegating. Worryingly, because their focus is upon *themselves*. 24% only take their own workload into account when delegating, placing them at 'disqualifiable' level.

Employees rate their 'work itself' or job content - very highly as a commitment factor, we will see later. Delegating in a way which refreshes and stimulates people's personal development enriches that all-important job content – and can therefore have a positive impact on commitment.

Management messages

- ➔ Level four managers know how important it is to identify and act upon the difference between pseudo, and true delegation. Pseudo delegation can take two forms – over-controlling the transfer so that it ceases to be delegation at all – or mistaking 'dumping' for 'delegation'.
- ➔ Adding the dimension of *personal development* to a delegated task – exemplary behaviour - can transform delegation into an act of coaching – one of the key roles of the manager. Coaching, because the concept of personal development implies that the employee should learn something new. This supplement to what might have simply be considered as a task transfer - transforms delegation into a support for talent management – a top concern for organisations at the present time.
- ➔ Employees rate their 'work itself' or job content - very highly as a commitment factor, we will see later. Delegating in a way which refreshes and stimulates people's personal development enriches that all-important job content – and can therefore have a positive impact on commitment.





5 Encouraging self-expression

How many great ideas really make it past the first presentation to a preoccupied manager? We wonder. Only 35% allow their employees to express their idea to the full, and more - encourage him or her to go further. The rest only let them finish their phrase before speaking again, interrupt frequently, or even systematically, monopolising the speech.

How many great ideas really make it past the first presentation to a preoccupied manager?

We wonder. Only 35% allow their employees to express an idea to the full, encouraging them to go further..

The case

Concerned by recent events affecting the chip manufacturer, Mylène has come up with a concept to redesign MSG's external supply chain. A key element will be a joint venture with the supplier in Mumbai, spreading risk between the two parties. Confident that her idea holds weight, she sets up an appointment with Stephan, the MSG's Global Operations Director, taking care to alert him to the problem she wants to solve.

When she begins to express her idea, how should Stephan react?

Like 80% of those we surveyed, Mylène wants Stephan to give her the opportunity to express her idea by letting her finish speaking and encouraging her to go further. This would seem a fair request, especially given the diligence with which Mylène researches and prepares her case. How likely is Stephan to give her the space she needs?

Mylène's chances of being properly heard could be better. Only around a third of managers (35%) tend to exercise the self control not only to let their employees express themselves, but to encourage them to say more – and it is this final step that makes the difference between 'exemplary' and 'operational' behaviour (just allowing the employee to finish their phrase before speaking again). This is

indeed what around the same numbers of managers (34%) have a tendency to practice. And so they risk missing the 'last drop' – and it is this, as we know, which can contain the vital essence of an idea. Especially if it is being expressed for the first time.

The tendency to intervene, as we have seen in the first four examples of this report, can be hard to control, and the case of hearing a new idea is no exception to the rule. Nearly one in five managers (17%) interrupts as s/he deems to be necessary – behaviour which can be termed 'penalising'.

Worse still is the tendency – practiced by around one in ten managers (11%) to interrupt not only frequently but systematically – monopolising the speech. With predictable results of missed information, frustration and demotivation. And possibly a department not famous for its creativity...

Being on the receiving end of an idea is also linked with the notion of change. Managers are not immune to the 'mourning curve' that this implies – especially when under pressure. It helps to be aware of the steps – from denial, to anger, sadness or nostalgia, fear, bargaining, decision, readjustment, commitment. How fast do we tend to jump to the 'bargaining' phase, without even being aware of the scope of what is proposed?

Management messages

- ➔ We see once again the case for those managerial constants - maintaining a positive inner attitude, asking open questions, active listening, 'waiting for the last drop' (where the elixir of an idea is often to be found). In the case of promoting innovation, the lifeblood of a vigorous organisation, these reflexes become all the more vital.
- ➔ Being on the receiving end of an idea is also linked with the implication of change, of altering the current state of affairs, and managers are by no means immune to the 'mourning curve'* that change implies – especially when they are under pressure. It helps to be aware of the steps of the mourning curve - from denial, to anger, sadness or nostalgia, fear, bargaining, decision, readjustment and finally, to commitment. How fast do we tend to leap into bargaining mode? This, without being aware either of our emotions (nostalgia or fear, for example) or of the scope (which may be highly manageable) of what is proposed?
- ➔ "Preparation is 90% of success." Yet preparation is more often replaced by naïve enthusiasm - an innovation motor that brings out the impulsive child in the most sober of adults. And it is often this child that first launches an idea upon an unsuspecting audience. Help your employees to help you honour their inner Tigger through a culture of *preparation*. Bureaucratic though this might sound, a simple 'project form' can focus the minds of innovator and recipient. By asking the questions – "what is the raison d'être of this idea? Its strategic links? Its expected impact? Its characteristics? Its links with other projects? (And indeed, what existing projects already do the job)?" We can go further still by asking "What deliverables? By when? And what are the key success factors of this idea?"

*Kübler-Ross, 1969, (adapted)





6 Solving dilemmas

“A problem shared is a problem halved”, it’s often said, and yet managers seem to prefer to go it alone – or pretty much. Only 40% actively involve all in inventorising options and selecting a solution, when faced with a dilemma. The majority either present their employees with options and the solution reached, even presenting the solution without background information, or at worst, keep the dilemma to themselves until it becomes a crisis.

The case

Sweden or Asia Pacific? Or indeed, a third alternative? Mylène is having difficulty resolving the dilemma of which packaging supplier to choose. On the one hand, the Swedish company with whom they MSG has worked for many years, is expert in the purchase and print of environmentally sustainable paper and board – ‘FSC*’. It has made great efforts to innovate new solutions for MSG’s packaging needs as well as meeting its tough demands for competitive pricing. But there are limits to the pricing pressure the Swedish company can stand. Meanwhile the Singapore supplier has made a highly attractive proposal in terms of pricing. And it has a well-established policy to support local children’s education...

With so many considerations to balance, how should Mylène involve her direct reports, if at all?

John is quite clear on the way he and his peers should be involved. Like 80% of those surveyed, he believes his manager should actively involve all in inventorising the options and selecting a solution. If she is like 40% of her counterparts, this is indeed the ‘exemplary’ level of practice she will adopt.

There is however a strong chance that Mylène will take upon herself a responsibility that her employees might like to share. Instead of involving them in inventorising options, she will do this herself, presenting them with her options and her

“A problem shared is a problem halved”, it’s often said, and yet most managers insist on going it alone.

Only 40% actively involve all in inventorising and solving, when faced with a dilemma.

Most present their employees with options and the solution, often without background information. Or sit on the dilemma until crisis point...

solution. A quarter (27%) of managers tend to solve a dilemma in exactly this way, and whilst this is an ‘operational’ level of performance, it is hardly optimal. Why? Valuable input will be missed, employees disempowered, and managers will overstretch their own resources, rather than drawing upon those of a motivated audience.

One in five managers will not even go this far – at a ‘penalising’ level, 18% will simply present the solution, not showing the process by which this was reached. And nearly as many (14%) will keep the dilemma to themselves until it becomes a crisis – a ‘disqualifiable’ level of practice.

*Forest Stewardship Council

Using meeting facilitation skills can preserve the manager's sense of leadership (and indeed, its reality) in solving a dilemma. Within the context of a virtual or live meeting, the dilemma can be framed as a set of paradoxes, engaging the intellects and creativity of the meeting participants. Subgroups can be set up, presentations made and traffic light voting systems used to arrive at an agreement.

Management messages

- ➔ To what extent do managers view involving employees in solving dilemmas as a sign of weakness (a little in the same domain as their fear of admitting mistakes?) Once again, managers are invited to fully grasp the notion – supported by three waves of Krauthammer research alone – that employees are expecting to be involved. And their commitment to implementing the solution will be considerably increased if they felt part of its creation – with some sense of responsibility for this.
- ➔ Applied meeting facilitation skills can preserve the manager's sense of leadership (and indeed, its reality) in solving a dilemma. Within the context of a virtual or live meeting, the dilemma can be framed as a set of strategic paradoxes* for which syntheses need to be devised, engaging the intellects and creativity of the meeting participants. Subgroups can be set up, presentations made and traffic light voting systems used to arrive at an agreement. All far easier to organise and run if the dilemma is tackled before it becomes, as in the lowest level of operation – a crisis.

* In Mylène's case we can imagine a paradox of 'exploitation and exploration.' Should the company dive further into extending an existing, trusted relationship (with potential limits), or strike out into the creation of a new relationship where trust needs to be established, (with potential risks?). A carefully researched set of 'wicked paradoxes' can be found, and our minds trained in identifying and solving them, in: 'Strategy Synthesis, Resolving Strategy Paradoxes to Create Competitive Advantage', by Ron Meyer and Bob de Wit, 2005, Thomson Learning.





7 Solving conflicts

A 'good battle' can enrich a relationship – and the facilitative manager will resist the temptation to prevent this potentially valuable process. Only 35% of managers encourage employees in conflict to find a solution, making a decision only if this fails. The rest consult the conflictual parties, then make a decision, focussing on obtaining

results, or pronounce judgement without involving them. Or, worse still, leave it up to the employees to solve the problems themselves, if anything, siding with one of them.

The case

John has "delegated" the software pilot to Andrew, his deputy. An employee of MSG for the past eight years, Andrew had an eye on John's position, and enjoys a following amongst his peers. Unfortunately, John, who is struggling to keep up with his deadlines, has only taken Andrew's and his own workload into account in transferring the pilot. As a result, Andrew has suffered a further hit to his motivation - he cannot see the sense of the project or how it will support his craving for self-development. So he has made no effort to plan the project, despite several reminders from John. Andrew is even beginning to form the impression that John is a 'dumper' and that he is becoming John's 'dustbin'.

The two are – inevitably – in a state of conflict, and John hesitantly approaches Mylène, hoping for a way out of the deadlock.

Will Mylène, as 80% of employees seek, including John, encourage the two to find a common solution, and only if this fails, make a decision? Yet again, we see that the chances of this 'exemplary' behaviour are far from secure, since only around a third (35%) of managers tend to do this, according to those we surveyed.

Or will Mylène consult the two employees, and then make a decision with a focus on obtaining results? According to 29% of employees, this will be the strategy, and this more interventionist approach is considered to be an 'operational' way of solving the problem.

If Mylène, like one in ten managers (14%), prefers to behave in a more dictatorial way, she will pronounce judgement – making a decision

A 'good battle' can enrich a relationship.

Yet only 35% of managers enable this to happen by encouraging employees in conflict to find a solution, themselves.

The rest consult, then decide, judging alone. Some even take sides...

immediately – involving neither John nor Andrew in the process. Whilst this level of 'penalising' behaviour would probably be considered sub-optimal even in a 1950's classroom, we see it is a frequent mode of operation in the offices of the 'noughties'.

What could be an even less favourable response to this sensitive situation? Presumably, leaving it up to John and Andrew to solve the problem in a 'laissez-faire' style, or even siding with one of them, would, be rare. And yet, one in five (20%) of managers tend to arbitrate conflicts in just this way – a practice we might attribute less to a strict 1950's schoolteacher, than to a playground gang leader...and yet, it is common in 2009, demonstrating the persistent difficulty of conflict solving.

We have mentioned the 'laissez-faire' approach to management, a characteristic of the 'penalising' level of behaviour. It is vital for managers to distinguish between *facilitating* – the characteristic of the 'exemplary' solution in which the two employees are encouraged to solve the problem, and *neglect* – unconsciously abandoning them to fight alone. A major difference between facilitation and neglect lies in the intention and awareness with which the manager gives space.

Management messages

- ➔ How can we avoid sub-optimal conflict-solving behaviour? Work psychologists teach us about a set of traps¹ that can ambush even the most conscientious of managers. We might even call them 'bugs'.
 - ➔ Firstly, managers have a tendency to operate 'in groups and out groups'. They distinguish between the members of each group, and treat each differently
 - ➔ Many of us fall victim to the 'assumed similarity' or 'like me effect', seeing others as having characteristics more like ours than is really the case, projecting our emotions or motivations upon them
 - ➔ When conflict solving, checking and restraining our bugs can help us steer clear of a 'penalising' response.
- ➔ We have mentioned the 'laissez-faire' approach to management, a characteristic of the 'penalising' level of behaviour. It is vital for managers to distinguish between facilitating – the characteristic of the 'exemplary' solution in which the two employees are encouraged to solve the problem, and neglect – which means unconsciously abandoning them to fight alone. A major difference lies in the intention and awareness with which the manager gives space. In the first example, the manager is at best disinterested, and at worst, planning on taking sides. In the second, she remains neutral, and in state of readiness to make a well informed decision. We return to the point made earlier of the "positive inner attitude"...a disposition to facilitate and help, rather than let people 'stew in their own juice' - for better or for worse.





8 Identifying talent

Talent management consistently occupies the summit of the corporate agenda. So why do only 29% of managers use 360 degree feedback to gain a wider perspective of an employee's talents? And why do the rest limit their assessment to their employee's self report, to their own perception, or in the worst case, follow no assessment process at all?

The case

Thanks to Mylène's exemplary approach to conflict resolution, John has been invited to find a common solution together with Andrew. How can Andrew's underlying feelings of frustration and rejection – of which the recent conflict was a symptom - be constructively handled? The two meet, and after admitting his mistake regarding the way in which he delegated the software project, John invites Andrew to tell him what he perceives his talents to be, and how he believes these could be better deployed in Andrew's future development within MSG.

Very good, and is this enough? Like 80% of employees, Andrew would certainly welcome the fact that his manager takes his own self- image into account. And yet, he would like even more - a panoramic view of his attributes. He wants John to use 360 feedback to gain a wider perspective. He is fairly likely to be disappointed, however, since only around a third of managers (29%) adopt this 'exemplary' practice for talent management.

Almost as many (27%) are more likely to only take their employee's assessment into account – which is certainly 'operational' and which at first glance appears fair. Still, it is a rather risky strategy, as we hope to demonstrate in the 'management messages' of this chapter.

How many managers operate at a 'penalising' level of practice when identifying talent, taking only their own assessment into account (and this is subject to bias – as the previous chapter demonstrated)? Around a third (30%) treat the crucial management act of identifying talent with exactly this lack of vision. The potential loss of talent, and ultimately, defection, that could result, hardly needs spelling out.

Is it possible to practice at an even more 'disqualifiable' level? Indeed, and in this instance, the manager follows no assessment process at all. Hard to imagine, this. And yet, in 9% of cases, this is exactly what employees experience.

Talent management consistently occupies the summit of the corporate agenda.

Yet only 29% of managers use 360 degree feedback to gain a wider perspective of an employee's talents.

The rest refer only to the employee's self report, their own perception, or neglect assessment processes all together...

According to the 'halo effect' we have a tendency to see people in terms of 'good' versus 'bad'. 'Good' people have all the 'good' qualities. 'Bad' people have all the 'bad' ones. And we tend to allow an assessment of someone on a single personality trait to influence our evaluation of them as a whole. 360 degree feedback incorporates the views of several people. So it can protect managers, and employees from this common error. Perhaps another reason why 80% of employees want managers to deploy it.

Management messages

- ➔ In a competitive workplace, managers are invited to be alert to the risk that some employees may tend to broadcast a higher level of maturity than they actually possess. The resulting pitfall of exposing both employee and his or her environment to a premature promotion, or an ill-considered role change, will be reduced if the manager uses one of the multiple 360 degree feedback tools available.
- ➔ The 'halo effect'¹ describes our tendency to see people in terms of 'good' versus 'bad'. 'Good' people have all the 'good' qualities. 'Bad' people have all the 'bad' ones. And we tend to allow an assessment of someone on a single personality trait to influence our evaluation of them as a whole. 360 degree feedback – a formal way of gathering feedback on our performance from our colleagues - incorporates the views of several people. So it can protect managers, and employees from this common error. Perhaps another reason why 80% of employees want managers to deploy it.





9 Fixing objectives

Objective-setting (or goalsetting) is one of the most effective performance-enhancing strategies identified by researchers^{2,3}. Yet only 44% of managers involve their employees in defining their objectives, seeking their commitment. The rest tend to negotiate, encouraging employees to accomplish more, push their views and drive for acceptance, or

simply impose objectives on employees, leaving no room for discussion.

The case

The results of Andrew's 360 degree feedback reveal that he is trusted and liked by his entourage – and especially many colleagues on the factory floor. An analysis of their messages suggest that he has a reassuring presence – when gossip fires up around the coffee machine he supports difficult messages from management in a neutral way which often has the effect of diffusing polluting situations. This is particularly appreciated in these turbulent times when rumours about layoffs are beginning to spread. Similar messages emerge from Andrew's self-assessment, and John is beginning to form a similar positive perception. John and Andrew agree that in the absence of a formal union, John will be given the position of Liaison Officer – communicating messages from management to the factory floor – and back, and judging when deeper interventions and communication are required.

Now the question arises, how will the objectives be set?

Like 79% of employees, Andrew wants to be involved in defining his objectives and wants John to take the "exemplary" position of involving him, seeking his commitment. Has John learnt his lesson from the delegation débâcle?

Possibly, if John is like 44% of managers. However, the majority of managers will take a rougher approach.

One in five (19%) will negotiate with their employee when objective-setting, encouraging them to accomplish more. And whilst 'demandingness' is a quality in managers which is arguably key to competitive strength, we argue that negotiation should not be the driving spirit in which such a discussion is conducted, but a tool to support a more constructive dialogue. Once again, the

Objective-setting – a powerful performance-enhancer.

Yet only 44% of managers involve their employees in defining their objectives, seeking their commitment.

The rest negotiate, encouraging employees to do more, push their views, or even impose objectives leaving no room for discussion...

philosophy of performance is one based on co-creation, collaboration, not least because the employee who has shared in the definition of objectives is more likely to take responsibility for achieving them.

This is why the option of pushing his or her views and driving for acceptance is considered to be a "penalising" approach. Once again, one in five managers (20%) will prioritise this behaviour and one in ten will act in a "disqualifiable" manner – imposing objectives upon employees and leaving no room for discussion. Clearly, at one point or another in a process, a consistently underperforming employee who is actually abusing the goodwill of his or her organisation can expect a manager to stop inviting and to start demanding, and still, such cases are rare. Unfortunately, 51% of managers are behaving in a spirit that suggests they are common, as they badger, rather than facilitating.

Researchers have found objective-setting to be one of the most powerful interventions in the workplace. Managers are encouraged to 'go the extra mile,' knowing that objective-setting promotes wellbeing and motivation – partially due to the pleasant anticipation of how success will feel. So that, in getting employee commitment, managers are invited to help them imagine how it will feel to reach the objectives – and so set more demanding targets.

Management messages

- ➔ The arguments for goal setting (or objective setting) are some of the most compelling in management research. Researchers have found it to be one of the most powerful interventions in the workplace.
- ➔ Managers are encouraged to 'go the extra mile' in this area, knowing that goal setting promotes wellbeing and motivation. One of the reasons, researchers suggest, is the pleasant anticipation of what it will feel like to reach those goals². So that, in achieving the commitment of employees, managers are invited to help employees to imagine how it will feel to reach the objectives under discussion – which can even help them to set more demanding targets.
- ➔ Objective setting can have a dramatic effect on performance, so that, especially in times of crisis, when performance is under strain and yet rigorously demanded, managers are invited to install exemplary practice here in the knowledge that it will pay off more than perhaps any other routine.
- ➔ Two variables can modify the way in which objectives are set. Firstly, when a task is new³ (as in the instance of Andrew's liaison role), it is better to focus on overall intent, rather than micro-goals. Secondly, when an employee is more experienced, previous analysis of Krauthammer Observatory has revealed, he or she is more likely to be demanding about the way goals are monitored.
- ➔ Other research discusses peer coaching^{4,5} and it appears that, if it focuses on objective setting⁵, peer coaching can be a very helpful stimulus in the workplace. This applies well to Andrew's role as a Liaison Officer - he is in a strong position to undertake peer coaching and the likelihood of his being accepted as a coach is high, given the trust in him reported by his colleagues.
- ➔ Regarding the measurability of objectives, the clear guideline, according to Krauthammer, is that they should be easily measurable and controllable by all stakeholders – or at least, clear enough for both parties to assess them equally.

Note: An exploration of goalsetting (and feedback) can be found in the 2009 Krauthammer Reader: 'From suboptimal to systematic - a winning formula for behaviour change?' at www.krauthammer.com





10 Monitoring results

Feedback-giving is a further powerful lever to enhance performance, identified by researchers². Yet only 39% of managers do this well when monitoring results - by praising employees for positive outcomes and helping them to close any gaps. The rest enquire about problems, making sure they are solved, point out what is going wrong and put the employee back on the right track, or simply blame the employee for poor results.

The case

Two months into Andrew's new role, it is time for John and Andrew to check whether the agreed objectives were met. An overriding objective was to create a plan for a campaign to measure and improve satisfaction levels on the factory floor. What milestones and elements could Andrew foresee? Andrew also agreed to start dialogues on a more informal level, inviting people into his office to constructively share concerns and suggestions – a form of peer coaching, in effect. Andrew shows his plan to John. A good set of milestones is emerging, yet it is clear he is having some difficulty working out how to measure satisfaction levels. On the other hand the peer coaching is going well, Andrew reports, with most colleagues taking him up on his offer.

Positive news, then, and some gaps. How should John react?

Andrew, like 75% of employees, expects John to monitor his progress in an "exemplary" way. This means praising him for the good results he achieved, and helping to him close the gaps. However, there is no guarantee that John will do this, as only 39% of managers tend to take this approach, according to those surveyed.

The reflex of nearly a quarter of managers (24%) is to focus on the negative – enquiring about problems and making sure that they are solved. This behaviour is "operational" in that it will certainly enable manager and employee to detect and solve bottlenecks, and still, the importance of praise as a positive reinforcement of a good result cannot be underestimated (see 'management messages' below).

A still more negative and "penalising" approach is for the manager to point out to the employee what is going wrong, and put him or her back on the right

Feedback-giving is a powerful lever to enhance performance.

Yet only 39% of managers praise employees for positive results, helping them close gaps.

The rest ask about problems, making sure they are solved, point out what's going wrong and put the employee back on the right track.

Or blame the employee for poor results.

track. Unfortunately, nearly a quarter of managers (23%) tend to do just this. Not only are they failing to give positive feedback, they are missing an opportunity to help employees develop their problem-solving capacity and confidence by enabling them to develop their self awareness of their own performance and to find solutions to problems. This point reinforces the messages we saw in the very first chapter concerning problem solving, where an overwhelming majority of employees want their managers to analyse the problem together with them and help them to look at it in a new light.

You may have noticed that in around 10% of cases, managers are consistently seen to perform at a "disqualifiable" level and the case of monitoring results is no exception. In this instance, 8% of managers will simply blame the employee for poor results (and remembering the RACI matrix, where we establish the difference between "responsibility" and "accountability", it would seem that the blame can rarely – if ever - be transferred wholly onto the employee).

In the previous chapter we saw the importance of objective setting. Researchers have identified another 'X' factor – feedback. Feedback is linked with high performance – if timely and constructive. When delivering 'timely and constructive' feedback, managers might like to consider how predictable they want to make it. Predictable feedback, some research has suggested, can actually undermine its effectiveness.

Management messages

- ➔ In the previous chapter we investigated the importance of goal or objective setting. Researchers have convincingly demonstrated the value of another 'X' factor – and this is feedback². Feedback can promote high performance – if delivered in a timely and constructive way.
- ➔ When delivering 'timely and constructive' feedback, managers might like to consider how predictable they want to make this. Because herein lies a potential trap. Making feedback predictable, some research has suggested, can actually undermine its effectiveness³. Perhaps a constant flow of positive news eventually ceases to register with the employee - who begins to take it for granted. So the stimulus loses its edge.
- ➔ When giving feedback, it is recommended that feedback related to the 'self' should be related to the role of the employee – or in the instance of results-monitoring – to the results in question². And if the results are to do with the individual as a person, (for example “please adopt a more collaborative attitude when running a project”) then any negative feedback should concentrate on the observed behaviour rather than the individual. In this instance, we recommend the OSCAR approach. As follows! “I have observed (O)... particularly in this situation (S)..., with the possible consequence (C)... I suggest the following alternative (A)..., resulting in (R)...”
- ➔ We have seen some 'behavioural bugs' so far in this report, and this chapter raises another. According to 'attribution theory'¹ we judge people differently depending on the meaning we attribute to their behaviour. Do we believe their behaviour is caused by external or internal forces? Our perception of this can influence our response to the employee's performance. When monitoring results, it is important that the manager checks to what extent he believes that the employee is responsible. In a negative mindset, we might attribute a good result to factors outside of the employee's control, (so that, in effect, they were achieved 'by accident' in our view). Alternatively we could believe that an employee was responsible for a poor result, when in fact, this was due to factors outside of his or her control. Managers who find themselves falling into negativity and blame when monitoring are invited to check their mental landscape for this bug!

Note: An exploration of goalsetting (and feedback) can be found in the 2009 Krauthammer Reader: 'From suboptimal to systematic - a winning formula for behaviour change?' at www.krauthammer.com



●●● Part 2

The business climate

The employee-manager relationship

So far we have seen that a third of managers (33%), according to their employees, are operating at an 'exemplary' level over the 27 practices surveyed (and we have given you an overview of the top ten sought by employees).

And around a third (31%) are practising at an 'operational' level.

However, a third again (33%) are operating at a level that can be seen to be 'penalising' or 'disqualifying'.

Given these findings, and the current business climate, how do employees rate the relationship they have with their manager?

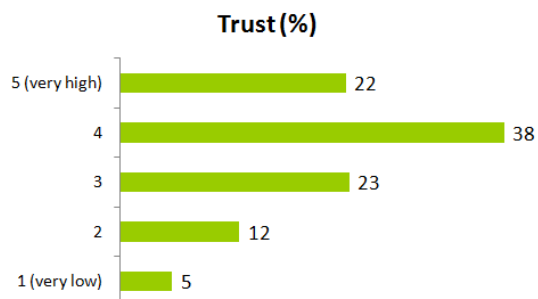
Trust

Six out of ten people (60%) report high levels of trust in their manager. We have also seen that 64% of managers are operational or exemplary. Does trust mirror managerial behaviour?

We asked people to rate their trust in their manager on a scale of 1 to 5 where 1 is "very low" and 5 is "very high".

And we see that 60% are indicating high levels of trust in their manager – scoring a 4 or a 5. Just as we see that similar numbers (64%) score their managers' behaviour as 'operational' or 'exemplary'. These scores are lower than those of our 2008 survey, where 68% of people scored their trust in their manager at 4 or 5.

However, 23% of people are feeling rather neutral, so that we cannot conclude that trust is really present. In 17% of cases, trust levels are worryingly low – so that we can even conclude that these people rather distrust their manager.

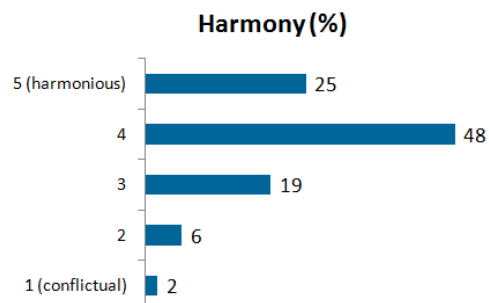


Harmony

Seven out of ten people (73%) rate their relationship with their managers as harmonious – more so than strongly trust their managers. Is some of this so-called 'harmony' a question of keeping the peace?

We asked people to rate the relationship with their manager in terms of harmony and conflict, where a score of 5 indicated that the relationship was harmonious, and 1, that it was conflictual. Of those rating their relationship as conflictual, a quarter (25%) had suffered a conflict less than a week before they answered the survey. Of these people, a quarter again (28%) were still feeling very negative about the emotional effects of the conflict.

Seven out of ten people (73%) consider their relationship to tend strongly towards harmony. One in five felt neutral about it, and one in ten (8%) showed strong symptoms of a conflictual relationship. As we have seen throughout the survey, around one in ten managers is consistently displaying 'disqualifiable' behaviour...



Contact between employees and managers

Frequency

Employees and managers are most likely to have contact on a weekly basis.

How often do employees have contact with their managers and to what extent does this frequency meet their needs?

The most commonly reported frequency of contact with a manager is on a weekly basis - exactly half of employees (50%) report this. Around a third (36%) have daily contact with their managers, and a minority - around 10%, only on a monthly basis.

Overall, people are satisfied with the contact they are getting. Closer examination reveals that 15% of those who report daily contact with their manager, would like rather less – most of these people would prefer it on a weekly basis. Of those who had weekly contact with their manager, around 11% would like slightly more contact – that is to say on a daily basis. And of those who had contact on a monthly basis, around 50% would prefer contact on a more regular, weekly basis.

Vectors

Face to face contact remains the most commonly used communication vector – and employees want more face to face and less emailing.

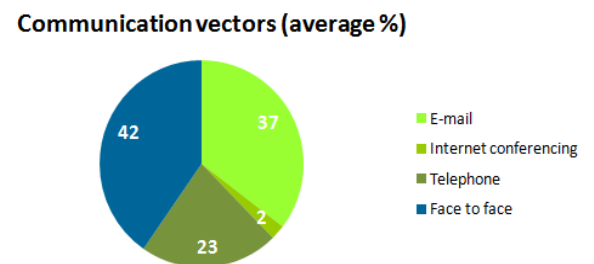
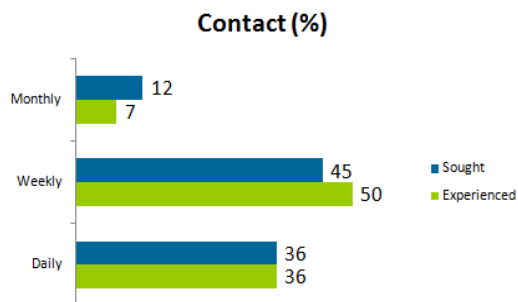
We asked employees what percentage of their time they spent communicating with their manager using what vector – email, internet conferencing, the telephone, and face to face.

On average, the most common means of communication between employees and managers reported was that of 'face to face.'

Email is the second most common communication vector (37%), followed by the telephone (23%).

Internet conference remains a little-used medium – its average score was only 2%.

On the whole, people would like less reliance on emailing, and more face to face contact with their managers .



Business pressure

Despite the worsening of the business climate since early 2008 when the last survey was conducted, we find that people's perceptions of business pressure have hardly altered over the past year. Either their organisations are relatively unaffected by the crisis, or those we surveyed are a pretty pressure resistant lot – or both. Organisations in some sectors are more crisis-proof than others. However, the respondents were distributed across sectors. And one of the most represented (15% of respondents) was finance – an industry strongly implicated in the recent turbulence. Moreover, finance was significantly more present in this year's survey than in 2008. Additionally, 13% of respondents came from the manufacturing sector – also containing some of the hardest-hit sub-sectors. So we tentatively conclude that people are 'toughing it out' – and we will see later that 'job security' is not, in any case, a strong factor influencing people's commitment to their organisation...

We asked people "how tolerable is the business pressure felt by your team at the present time?" A response of 1 meant that the pressure was felt to be totally intolerable, and 5, to be totally tolerable.

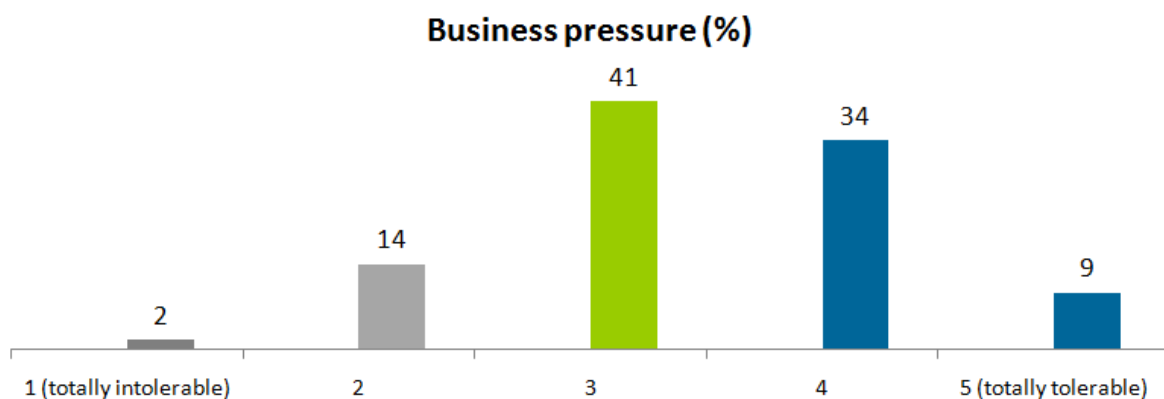
The survey was conducted in April 2009 – in the full grip of the economic crisis. Compared to the same period in 2008 – when the tsunami was certainly gathering but had not yet hit land – we expected to see significant differences in perceptions of business pressure.

And yet the findings have hardly altered over the past year.

Whilst 41% of people are feeling neutral about business pressure – meaning that they could swing one way or the other depending on events – or their resistance to these – just under half of those surveyed (43%) report that the pressure they experience is very much, or totally tolerable.

So that 16% of people are finding the pressure difficult to bear – similar numbers as in 2008.

If anything, the reports are very slightly more positive than in 2008.



Employee commitment and job satisfaction

Employee commitment levels and factors

Commitment levels

Seven out of ten people (73%) are committed to remaining in their organisation over the next 12 months. Only four out of ten (41%) are *very* committed, however.

We asked: “supposing the decision is in your hands, how committed are you to remaining in your organisation over the next 12 months?”

We have already seen that seven out of ten people (73%) claim a harmonious relationship with their manager. The same numbers are quite, or very committed to remaining in their organisation over the next 12 months. Given the difficult climate, where one might suppose that people are strongly inclined to ‘stay put’ and ‘weather out the storm’ for the foreseeable future, these figures are surprising. Furthermore, one in four people (27%) is neutral or even uncommitted.



Commitment factors

What influences someone's commitment to their organisation? Employees seem more interested in the content of their current job, than where they are headed, and seem relatively relaxed about job security. They appear more interested in recognition than in status. And whilst salary matters, it is not a primary motivator. The impression given is that employees are highly focussed on getting the job done, here and now, and that anything external to that impetus is less of a priority.

Based on Herzberg's definitions (1966)^{1,3}, we presented employees with a list of 'hygiene' factors and 'motivators'. 'Hygiene factors' differ from 'motivators' in that they fall outside work activities themselves. They include elements such as pay, conditions of employment and the work environment.

We asked respondents how important each hygiene or motivation factor was in securing their commitment. A score of 1 meant that the factor was of very low importance, and 5 meant that it was of very high importance.

The results show that what employees are interested in, above all, is the *content* of their job – expressed as 'job satisfaction' and 'the work itself'. They want to feel connected to their environment, being acknowledged by it, seeking 'recognition' and 'involvement', 'interpersonal relations'. Of these, their 'management' is an important factor. And they also seek ownership and fulfillment, as expressed by 'responsibility' and 'achievement'. Linked with 'recognition' and 'involvement' we have seen the importance of 'feedback' for managers. And linked with 'responsibility' we have also visited the RACI matrix, which formalises this important factor in project planning and implementation.

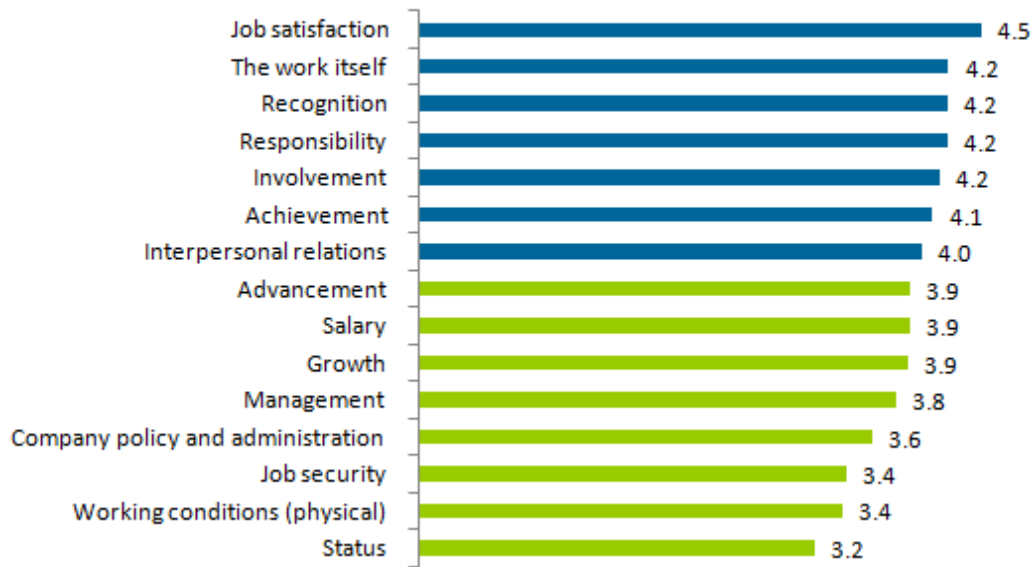
Significant too, are a sense of 'advancement' and 'growth'. And still, employees seem to have more focus on what they are doing right *now*, than what they will be doing *next*. Is this due to the present turbulence? A re-check next year, when it is hoped business conditions will have improved, will help us to establish this.

'Company policy and administration', as well as 'physical working conditions', rank lower in the priority list and this could be something to do with the growth in home working - one of the most radical social transformations in the workplace seen in recent years.

We have seen in the previous pages that the commitment levels of employees are not particularly high – only 41% said they were very committed to remaining in their organisation over the next 12 months. They also seem relatively relaxed about job security – this factor yields one of the lowest scores.

You may have picked up on the fact that 'recognition' is very important to respondents, 'status' far less so. Both concepts have to do with acknowledgement of the individual and of his or her contribution to the company. So why does one rank so much higher than the other? 'Status' implies a wider form acknowledgement than does 'recognition', (which could be limited to the manager-employee relationship). Status is typically accompanied by externally visible badges, too. Are respondents giving 'politically correct' responses? If we take 'salary' as an example, other research has revealed that salary really is not the most important factor for employees. So we can tentatively conclude that our respondents (whose anonymity was preserved) are being sincere.

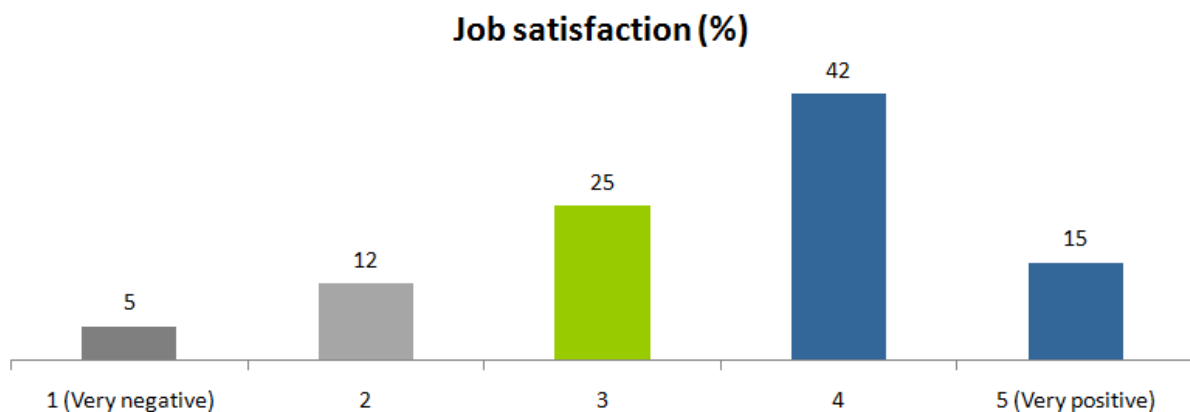
Commitment factors (mean)



Job satisfaction

Only 15% of employees truly experience 'positive and pleasurable emotions' (Locke, 1976)³, when they think about their job. And whilst 42% are fairly satisfied, 42% feel neutral or negative. And yet job satisfaction is the most important commitment factor mentioned by employees.

As we have seen, job satisfaction is the highest-ranking employee commitment factor. So managers are invited to take seriously the following results, which indicate that a large percentage of employees are unable to state with certainty that they "experience positive and pleasurable emotions" when thinking about their job. (This statement is a descriptor of job satisfaction).

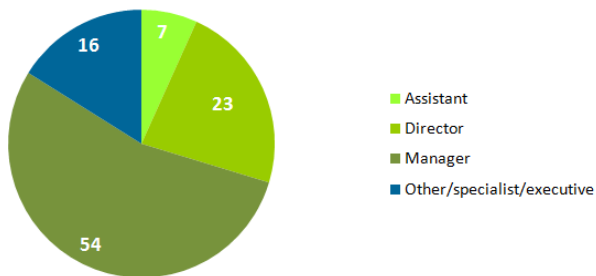


About the survey

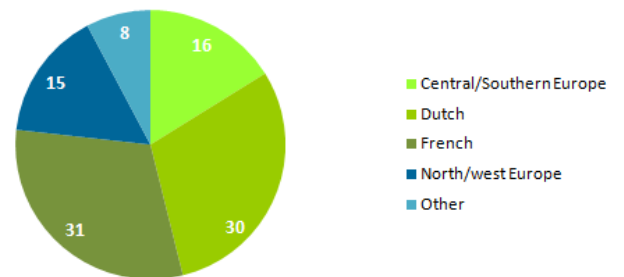
309 respondents completed the survey online. The survey questions were developed by Krauthammer and refined based on statistical testing by Dr. Fabienne Fortanier, Assistant Professor at the University of Amsterdam Business School, the commentary written and produced by Steffi Gande, Co-Head of Research at Krauthammer. The survey engine was developed and run, and the data independently collected, by Stratus N.V.

Demographics

Function (%)



Nationality (%)



23% of respondents were female, 77% were male. 37% had been working for over 20 years, 9% for less than 5 years. 80% worked for organisations with more than one country. This distribution was almost identical to the 2008 edition of the survey. The nationalities of respondents showed some variance over 2008, with less French respondents, more Dutch respondents, and more respondents from Central and Southern Europe, with less respondents from North/West Europe.

References

1. Eugene McKenna (2006) *Business Psychology and Organisational Behaviour – ed. 4*, Psychology Press
2. Sabine Sonnentag (2002) *Psychological Management of Individual Performance*, Wiley
3. John Arnold (2005) *Work Psychology - Understanding Human Behaviour in the Workplace – ed. 4*, Prentice Hall
4. Tews, Tracy (2007) 'Enhancing Formal Interpersonal Skills Training through Post-Training Supplements', *Cornell University, School of Hotel Administration*
5. Joyce, B. and Showers, B. (1996) *The Evolution of Peer Coaching, Educational Leadership*, 53 (6)

About the authors

Krauthammer – International coaching, consulting and training company Krauthammer responds to client needs where strategic changes or operational improvements demand behaviour change at the individual, team and corporate levels. In addition to improving particular areas in organisational systems - building and sustaining a high performance organisation and implementing effective change. Krauthammer was established in 1971. 150 consultants are now in its employ, working from 24 embedded offices in Europe, Asia Pacific, the United States and South America.

- ➔ [To join the Vision Research Group and participate in surveys, to subscribe \(free of charge\) to our reports which are published three times yearly, or, if you are already on our mailing lists, to change the details we hold for you](#)
- ➔ More detail or charts? Available from Steffi Gande 00 32 2 359 97 33, Steffi_Gande@krauthammer.com.
- ➔ More about us on: www.krauthammer.com

Fabienne Fortanier is Assistant Professor at the University of Amsterdam Business School (ABS). Her research and publications focus on the internationalisation strategies of large multinational enterprises, and on the consequences of their investments for host country economic growth and sustainable development. In addition, Dr. Fortanier teaches courses on International Business, Quantitative Methods and Corporate Social Responsibility. At Statistics Netherlands, Fabienne manages a project aimed at monitoring and analysing the internationalisation of the Dutch economy and the social and economic consequences of globalisation for the Netherlands.



| | | | |
|-------------------------------|--|-----------------------------|--|
| Belgique/België (+32) | (0)2 359 96 90 | Magyarország (+36) | 1 349 2717 |
| Beijing (+86) | 10 6508 1935/36 | Nederland (+31) | (0) 71 364 33 44 |
| Česka republika (+420) | 296 508 470-1 | Polska (+48) | (0) 22 631 60 55 |
| Deutschland (+49) | (0) 40 68 94 920 | Slovensko (+421) | (0) 2 20902415 |
| España (+34) | Madrid: 91 372 99 75 Barcelona : 93 301 15 53 | Suisse/Schweiz (+41) | Genève: (0) 22 999 08 50 Zürich: (0) 43 255 30 60 |
| France (+33) | Paris : (0)1 44 69 60 00 Aix: (0)4 42 52 80 40 Lille: (0)3 20 13 04 00 Lyon: (0)4 72 91 21 30 Nantes: (0)2 40 48 98 98 Strasbourg: (0)3 88 61 60 61 | Sverige (+46) | (0)8 545 03 840 |
| Hong Kong (+852) | 2521 2839 | United Kingdom (+44) | (0) 208 770 7200 |
| Italia (+39) | 02 49 81 499 | USA (+1) | 404 812 0052 |

Krauthammer Services NV
Greensquare
5C Lambroekstraat
1831 Diegem
Belgium
Tel 00 32 2 359 97 33

www.krauthammer.com



krauthammer