

# MANAGING AND DEALING WITH PEOPLE

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# Managing and Dealing with People

## 1. Get people to cooperate with you... but also learn from the reluctant ones and if justified, accommodate them

Effective management makes use of all skills that can be learned at an MBA program. Still, the skill of managing people is the most important one. Obviously this is *because to be effective, a manager needs the cooperation of other people.*

It is relatively easy to obtain cooperation from some people. But sometimes this is not the case, and it can create serious problems if the reluctant person has very valuable skills.

Nora K. is in charge of an Information Systems (IS) department which develops complex computerized projects. One of her subordinates, Peter P., has key technical knowledge but is reluctant to fully cooperate. He frequently disagrees with Nora on technical matters.

What to do? Threatened disciplinary action, or any other kind of pressure would probably make matters worse.

When confronted with this situation, Nora did what a good manager does in such cases. She tried to learn as much as she could from Peter, and gave in to some of Peter's requests, which were not that unreasonable after all, as Nora realized after better understanding his reasons.

## 2. Make a solid diagnosis before acting... And first of all, do no harm

A good medical doctor would never write a prescription or perform a procedure without first making a careful diagnosis. Good doctors also have a basic rule: first of all, *never do harm*.

Many managers ignore these principles. At Nora's company, the Personnel manager noticed that some computer programmers frequently arrived a few minutes late. Without consulting with Nora, he sent them a memo "chewing them out" for their alleged lack of discipline.

What the Personnel manager did not know or did not take into consideration was that these people were working late hours without being paid overtime. They obviously took offense, and two of them resigned. Good IS technical people are in strong demand, another fact the Personnel manager did not consider. As a result of his blunder, one of Nora's key projects was delayed for several weeks.

## 3. Personality and situation analysis as basis for a solid diagnosis

The two elements of a good diagnosis are *personality* and *situation* analysis. In the western culture, there is a tendency to concentrate on the first of those elements.

Nora is a good manager, but one time she made this type of mistake. A systems engineer, Robin, was transferred to her department from another unit of the company. Robin was not performing according to Nora's expectations.

Nora spoke to her boss and demanded that Robin be fired or transferred, claiming that he was "lazy", "not very intelligent", and that his work was not good enough.

Nora's boss read Robin's personal file and saw that his previous bosses had been very satisfied with his performance. He then told Nora to find out whether Robin's poor performance was due to his personality, or to the situation Robin was in.

#### **4. Is the employee "stupid and lazy", or is it the situation?**

Nora found out that:

- Robin had been transferred from a small town in the Midwest to his present job in New York. His salary had not been adjusted to the much higher cost of living in NY, an action that had been promised to him when his transfer had been discussed.
- His job description was "Assistant Systems Engineer (S.E)", while *the role* Nora had expected him to perform was that of a Senior S.E.

Speaking to Robin, Nora understood that Robin was distracted by his personal budgetary deficit, disappointed because the company had not given him the promised salary rise, and that he needed more experience and training to become Senior S.E.

Now she realized that Robin's poor performance *was not due to his personality* and that he was neither stupid nor lazy. The problem was *the situation* Robin was in.

#### **5. Roles and the necessary qualifications of the incumbent to perform well**

Apart from his money problems, Robin had a role problem.

Roles are positions that can be defined formally or informally. They are described as an aggregate of responsibilities, tasks and expectations on the behavior of the person the role is assigned to. Obviously, Robin mistakenly was given a role he was not qualified to play at that moment.

The role an employee is formally or informally assigned should not be one that for whatever reasons he or she is not currently qualified to perform well.

## **6. Nora and Dr. Hume discuss the effect of assigning challenging roles**

A few weeks after Nora had correctly diagnosed Robin's problem and corrective action had been taken -adjusting his salary and assigning him the role of assistant rather than senior S.E.-, she attended a party and met with her former Human Resources professor Dr. Hume.

She was very pleased with herself about the outcome of the episode with Robin and she described it to Dr. Hume.

The professor surprised her by saying: "Nora, I still think Robin may be lazy and stupid." When she asked why he thought so, Dr. Hume said: "Nora, you are an MBA. Did I not teach you at Harvard that assigning challenging roles is a proven way to get people to respond with more effort and greater commitment? Robin should have responded well to the challenges of his new job." Nora blushed, hurriedly said goodbye and moved on.

## 7. Dr. Hume had a point, but...

On the drive back home, Nora reflected on her conversation with Dr. Hume. She had to recognize that apart from being somewhat pompous and patronizing, Dr. Hume had made a good point.

Assigning challenging roles may be an effective incentive for talented and ambitious employees.

But -a very important "but"-, she also knew that to be effective some key conditions had to be fulfilled when assigning challenging roles.

Since she now was convinced that Robin was neither stupid nor lazy, she promised herself to speak to him the following Monday.

## 8. Challenge your employees... *but*:

- Give them the means to perform well (training, resources)
- Establish clear and realistic goals
- Keep in mind that *rewards* are great motivators

On Monday, Nora interviewed Robin and told him:

- That he would be given specific assignments that were Senior S.E. level, in spite of the fact that Robin was only Assistant S.E.
- BUT -the important but- she added that:
- He would receive appropriate training.
- He could count on the support and advice of her and of his more experienced colleagues.
- If he performed well, he would eventually be promoted to Senior S.E. and get the corresponding rewards.

Nora, being a good manager, understood the importance of the "buts" mentioned in this description of the case.

## **9. The two very different management styles**

Nora had a management style that had served her well in her position of IS manager. She was participative and warm with her subordinates. She did not bother them with close and constant supervision, and did not expect them to consult with her on every small detail of the job.

She managed by objectives. Those objectives were established by consensus with her subordinates. She tolerated dissent and encouraged people to express their opinions freely.

Nora's friend Bill, supervisor of the mailing room, had a completely different style. He continuously made spot checks on his subordinates' work. He gave them little room for decision taking; their tasks were clearly specified. In short, his management style consisted of very tight supervision.

Nora frequently challenged Bill on his management style, assuring him that hers was superior, but she had to recognize that his department was very efficient.

## **10. Management styles must be different for different situations. A Chief of Staff leading a group of experienced officers can not act like a drill sergeant ... and vice-versa**

The reason why both Nora and Bill ran efficient shops in spite of their very different leadership styles is that they managed very different people who performed very different tasks.

The mailroom employees were in general inexperienced due to high turnover. The tasks they performed were simple and routine. In this situation, a tight supervision tends to produce very good results.

In contrast, the Information Systems department Nora was leading was staffed by mature, experienced and skilled people. Their tasks were challenging and complex and required considerable creativity and imagination.

In general, under these conditions a warm and participative leadership like Nora's produces better results.

## **11. There is not a single management style which is always the best**

Now, let's speculate on what would happen if Nora and Bill switched jobs. Probably the results would be these:

- If they continued with their customary management styles, they would fail. The mailroom employees would make many mistakes and make unwise decisions. The Information Systems people would be upset, would cease to be creative, and the performance of the department would deteriorate.
- If instead they adjusted to the different types of people and tasks to be managed in their new positions and changed their style accordingly, they would continue to be successful.

A manager must not cling to his customary or preferred style, but must be flexible and quick to adjust to each different situation.



## **12. The good managers' dilemma: "To be or not to be"... a warm, supporting, participative leader?**

However, it can be argued with good reasons that in general, a warm and participative leadership is more effective. People contribute their creativity and make useful suggestions, and take more pride in their work.

So, what is a good manager to do? If he or she is assigned the management of a department like Bill's, and applies this type of management, we said he would probably fail. If he clings to a tight supervision style, he loses the advantages mentioned above.

A great dilemma. But not unsolvable, at least in part. A good people manager should aim at evolving his department into the type that would work well under Nora's type of leadership.

Hiring better educated people with the right personality traits, training them well, creating incentives for employees to stay longer with the company and rewarding good performance are ways to evolve a group from one requiring tight supervision to one performing more effectively under warm and participative leadership.

## **13. Check if what you believe is real before acting**

Let's go back to Nora's first reactions in the case of Robin. She believed -wrongly- that Robin had been assigned to her department as Senior S.E.

And why did Robin not speak up when confronted with tasks that were clearly above an Assistant S.E.'s capabilities? Because he believed -*wrongly*- that Nora was aware of his

actual experience and was for some reason putting the pressure on him.

Many people act -or refrain from acting- based on their beliefs before checking if those beliefs are correct.

#### **14. Do not act automatically by habit... and check if others are**

Eventually Robin was promoted to Senior S.E., was performing well and became one of Nora's trusted subordinates. One day she asked him:

"Robin, back when you were transferred to here, why didn't you tell me that I was giving you assignments above your capabilities?"

He answered:

"Nora, I was not used to speaking up to my bosses. This attitude had served me well before".

This dialogue illustrates how sometimes the behavior of people can be explained by habit. Nora was used to her subordinates speaking up to her. Robin was not used to speaking up to his bosses.

It is a good practice to investigate if others -or yourself- are acting based on established habits rather than on a rational reaction to a given situation.

#### **15. The new culture of management-labor relations**

Not so long ago, if someone joined a large company, both the employee and the employer assumed that the relationship was going to be for life, or at least for a long term. Under

normal conditions, few employees would leave the company, and unless they behaved very badly, employees were rarely fired.

Obviously, such a situation tended to create a bond between employer and employee. It was easy for a company to obtain loyalty from its workers.

In America this culture has changed radically. Today, due to continuing downsizing, re-engineering, relocation of plants to other countries, takeovers, etc., there is very little job security.

## **16. Why did things change so much?**

There are many reasons why this happened. One main reason is "the awakening of the stockholder". Owners of stock realized that the value of their shares was not maximized; they discovered that, to some degree, companies were run for "stakeholders" (employees, managers) rather than exclusively for the owners of the company's shares.

Company raiders realized that many firms had a "hidden value", that they could be worth more than the present value of the shares. They started to make hostile takeover bids, mostly supported by a majority of stockholders. When successful, they fired top management and downsized and/or sold the company in pieces, making a lot of money in the process for themselves and for all shareholders.

Present day top managers are under the constant menace of losing their jobs in such a manner. Therefore, they can not be as considerate to employees as they could afford to be before. They must keep their companies "lean and mean".

They also realized that by negotiating their compensation based on the value of the shares in the market, they could make lots of money by constantly looking for ways to cut costs and make the company more profitable regardless of any other consideration.

## **17. Only in America?**

For cultural reasons, Japan and most European countries resisted this tendency. But the increasing freedom in international trade, a process usually called "globalization", makes it impossible to resist change in the long run. Competition from companies in more efficient areas like America is forcing employers in other regions to copy the American model.

Also, shareholders in those countries are also "awakening" and demanding management to deliver maximum profits and share value.

## **18. How to manage and deal with people under present circumstances**

Naturally, most talented employees responded to the new conditions of employment. They stopped being "loyal to the employer" (in the sense of rarely considering switching to a different one) and developed loyalty for their own careers. They did not assume employment for life, but became alert and adaptable to changes in the labor market.

This situation makes it more difficult to retain and motivate talented people. It is no longer possible to motivate them by the long-range prospect of promotions and job

stability. Why should a talented person work hard to be promoted and aim at a long-term carrier with a particular employer if at any moment he could be fired?

No easy solution for this problem. Low skill persons may be motivated by the fear of being fired especially when there is a relatively high unemployment rate.

But with talented and highly skilled people it works the other way around: *they must be motivated by the chance of acquiring skills that are valuable in the labor market.*

A skilled person will usually stay with a company and work hard not so much in the hope of advancing in this same company, but in the hope of increasing or maintaining his chance of getting a better job on his own decision or in case of dismissal.

And of course, as stated before, *rewards are strong motivators.* But it is no longer possible to present long-term rewards as motivators; rewards should be immediate or attainable in the short-term. □

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