

This article appeared in BA UpFront in May 2005

Discover the real potential in people

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“Human capital” is one of those management ideas that come along from time to time and seize the attention of managers desperate for a new silver bullet. Everyone seems to be “developing” or “leveraging” it. Yet where are the results?

The idea that “people are our most important resource” has been gaining traction for close to half a century. Contrary to popular belief, even Frederick Winslow Taylor understood this fact when he wrote his landmark book, *The Principles of Scientific Management*, back in 1908. But the real turning point came with the publication of Douglas McGregor’s *The Human Side of Enterprise* in 1960.

Since then, thousands of other business thinkers have leapt onto the bandwagon. People issues are a main feature in books, journals, and popular articles. Organizational behaviour is a central course in MBA programmes. Leadership has become a huge money-spinner for business schools, consultants, and trainers. There’s hot competition for a high ranking in “best boss” and “best company to work for” contests.

But for all the noise, average company performance remains uneven and largely disappointing; and today, firms – and their leaders – fail faster than ever. At the same time, survey after survey shows that many people are dissatisfied at work, that communication and conflict are huge problems in most workplaces, and that few leaders deserve to be called “great.”

So what’s the problem?

From my up-close observations of top executives over the past 18 years, there are in fact two problems.

First, few leaders really do believe that “our people are our most important resource.” They say it because it sounds right. Then they go out of their way to dominate, control, confuse, constrain, and stifle those around them.

Second, they just do not know *how* to lead. They’ve read the books, been to the lectures, and mouth the platitudes at every opportunity – but still paralyse their people and piss them off.

The bad news is that while this continues, even the best strategy is set to fail. The good news is that we actually do know what it takes to turn a workforce on, we do know what effective leaders do, and we do know how to make an organization a world-class implementer of its good intentions.

Here is the way to win:

1. **Provide a clear point of view.** That means a) direction and b) clarity about your own intentions, expectations, and values. If people don't know where their leader is going to, they quickly lose focus. If they don't know "where you're coming from" – what you stand for, why you make certain decisions, how you feel about crucial issues – they won't follow.
2. **Act with unquestioned integrity.** Walk your talk. Have one set of rules for everyone. Don't force people to "de-code" you or struggle to know what the hell you really mean.
3. **Assume the best of everyone and give them every chance to prove you right.** McGregor told us that our expectations shape others' behaviour. Expect the best, and you get it; expect the worst, and you get that. So give people a chance. Begin by thinking well of them. Help them demonstrate their worth.
4. **Show deep respect for others.** Everyone wants a sense of meaning, of self-worth. You may not like them or agree with their views, but you owe it to them to let them speak up, to be polite to them, and to show them that you value not only their input. But them as human beings.
5. **Give people big challenges, make them responsible for specific results, and hold them accountable for delivery.** Just as a personal trainer needs to push his chubby clients do another 100 sit-ups, so do you need to stretch your people. But then, demand results and be tough when you don't get them.
6. **Provide whatever they need to succeed.** No one can achieve much without information, resources, and support. If you starve your team of this stuff, they will fail.
7. **Involve them early ... and constantly.** Shape your strategy alone or with just a small team of confidants, and you'll have a tough time selling it to the folks who weren't there. But rope them in at the start, and keep them in the loop all the time, and you'll have a much better chance of making the right things happen.
8. **Encourage open, robust, fact-based dialogue.** Ask people for their ideas and insights. Demand that they support their views with hard facts, not just wild assumptions. Teach them to fight for their opinions.
9. **Give fast feedback ... and plenty of praise.** In the immortal words of Ken Blanchard's *One Minute Manager*, "Catch them doing something right ... and give them a one-minute praising."
10. **Be consistent, persistent ... and flexible.** Be predictable. Hold your course. But when circumstances change, show that you're willing to change too.

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