

Summary

Book: *First Break All The Rules*

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1. Introduction

The following notes and observations are the interpretation by Richard Munden of the Audio CD publication of the above book.

2. Overview

There have been two mammoth research projects run by Gallup over the last 25 years. The first concentrated on employees, asking what the most talented employees need from their workplace. 1,000,000 employees were questioned over 100 questions each. The most powerful finding was that talented employees need great managers. People may join the organisations for all sorts of reasons, but retention and productivity depend on their relationship with their immediate manager. This led to a second survey: How do great managers find, focus and keep talented employees?

3. Notes

A few questions proved to measure the difference between engaged employees and those that are not engaged. They measure the core of a strong workplace.

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for good work?
5. Does my supervisor or someone at work seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission or purpose of my company make me feel like my work is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, have I talked to someone about my progress?
12. This last year, have I had opportunities at work to learn and grow?

These were tested across 2,500 business units and 24 different companies – the simplest way of testing.

Business units were scored positively if they had higher levels of productivity, profit, retention and customer satisfaction.

It turned out that employees' answers depended more on the business units they were in than on the company as a whole – e.g. the manager is a more important factor than the company, inspirational top leadership, or whatever.

Individuals moving into a new role can be likened to climbing a mountain on their way to peak performance. There are four key staging points from taking on a new role which can be linked to the 12 questions:

1. Base Camp – Qs 1 & 2 – basic needs when you first start a new role, what do I get?
2. Camp 1 – Qs 3-6 – am I any good at the job, can I excel, what do people think of me, what do I give, my individual contribution?
3. Camp 2 – Qs 7-10 – do I belong here, are other people as committed to the same values as me, do I fit?
4. Camp 3 – Qs 11 & 12 – how can we all grow, innovate (applied novelty)?

Great managers focus heavily on Base Camp and Camp 1 – the first 6 questions.

The way Gallup identified great managers was to explore with organisations:

- Which managers would you like to clone?
- Figures for productivity, profit, shrinkage, absenteeism, accidents, customer feedback, employee feedback.

Over 80,000 managers were interviewed with open questions for over 1½ hours each. Great managers were then compared with average managers.

A key finding was that great managers share very little in common, but that there was one shared insight to which all returned. They believe that each individual is true to his/her unique nature – there is a limit to the extent that they can be remoulded. So, great managers capitalise on what individuals are and try to help each person to become more of what he/she is. To do this, they have to break many of the conventionally accepted rules.

Their creed is:

“People don't change that much. Don't waste time trying to put in what was left out, try to draw out what was left in, that's hard enough.”

Great managers play a catalyst role in linking individual talent to performance. They have four key focuses.

1. Selecting staff
 - How much of a person can you change? It is important to recognise the difference between Skills, Knowledge, and Talent. The first two can be learned, the third is inherent.
2. Setting expectations
 - Focus on performance today, not on some future vision
 - Balance conformity with the ability to exercise one's own style
 - Balance today's need for standards and efficiency with need for flair and innovation

3. Motivate
 - Only resource available to manager is time – where should he/she spend it?
 - Should he/she focus on high achievers or strugglers?
4. Develop
 - Do you help people to be promoted? Or to find the best fit?
 - Can you get too close, particularly if you may need to move someone on?

If managers can't do this basic stuff, however good the systems or inspirational the leader, the organisation will go down.

Strong bonds are needed between managers and people. Subcontracting it to other departments – e.g. HR – starts to bleed the life out of the company. If a manager has not had a say in selection and invested in development, then relationships wither.

Great managers focus inward, inside the company, into each individual – they recognise the importance of the differences in style, goals, needs, motivation of each person, small but subtle differences. They are guides to releasing the unique talent and energy of each person.

Leaders look outward – at the competition, out at the future, out at alternative routes forward, broad patterns, finding connections, cracks – then press home the advantage where resistance is weakest. Leaders are visionaries, strategic thinkers, activators. They are very useful but not much to do with turning individuals' talents into performance.

If the catalyst role of manager is devalued, the company will be in trouble.

How do great managers do it?

Conventional Wisdom (CW) is close but not quite hitting the mark.

- CW says select on basis of intelligence, experience and determination.
- CW says set expectations by defining the right steps
- CW says motivate by helping identify and overcome weaknesses
- CW says develop by helping to learn and get promoted

There is nothing wrong here but it all just misses the mark.

- Select for talent, not simply intelligence, experience and determination
- Set expectations by defining the right outcomes, not the right steps
- Motivate by focusing on strengths, not weaknesses
- Develop by helping people to find the right fit, not the next rung on the ladder

Talent is a recurring pattern of thought, feeling or behaviour that can be applied productively. Your talent is the behaviours you find yourself doing often.

Talents fall into three main categories:

- Striving talents – the 'why' of a person
- Thinking talents – the 'how' of a person
- Relating talents – the 'who' of a person

Selection

Myths

- Talents are rare and special – but everyone has reoccurring patterns of behaviour!
- Some roles are so easy they don't need talent – great managers believe that someone will be 'wired' for the role and anyone who does a quality job deserves respect.

Choosing talent is not easy. Very few people know their own talents and few people are prepared to choose jobs for themselves.

Setting expectations

Defining outcomes allows individual talent to work in its own way, enabling managers to draw out optimum performance.

Temptations

1. Perfect people – the 'expert' approach that believes there is one best way that can be taught to all people. Individual uniqueness is a blemish that can be overcome. But defining methods goes against the individual's unique 'groove'. It's demeaning because, by providing all the answers, it prevents each individual from perfecting and taking responsibility for his/her own style. And it prevents learning by taking away choice, the fuel for learning.
2. If you don't select for the 'basic' role (e.g. quite a few so-called unskilled jobs) but take anyone who applies, many will not fit. Then the manager feels the need to apply procedures and rules to try to achieve a force-fit and learns not to trust the people
3. Trust is precious and must be earned. Some managers are hamstrung by their fundamental mistrust of people. They apply rules and procedures until trust is 'earned' – but suspicion is a permanent condition. Great managers start with trust – they know that expecting the best normally gets the best and failure is the exception.
4. Some outcomes defy definition. But, although some outcomes are difficult to define, putting time and thought into it will always find a way. Once you have outcomes, you don't have to force people to do everything the same way. For instance, a lot of companies define competencies to describe the perfect manager. The focus is then on getting everyone to become perfect. But great managers don't take them seriously because they focus managers on standards, not on creating the right emotions for their people in the way that works best for them. Defining the right 'culture' outcomes is worth the effort and a better use of energy than trying to legislate for the managers' style.

Great managers do have some steps to turn talent into performance.

1. Rule of thumb 1 - Don't break the bank. All roles require some accuracy and safety and all employees must know and follow the basics.
2. Rule of thumb 2 – Standards rule. All employees must follow defined steps when those steps are part of company or industry standards. Shared standards enable communication, support learning, make skills transferable, and fuel creativity.
3. Rule of thumb 3 – Don't let the creed overshadow the message. Required steps are useful only if they don't hinder the desired outcomes.

4. Rule of thumb 4 – There are no steps leading to customer satisfaction. Fixed steps only avoid customer dissatisfaction. The 4 expectations that companies must meet to create real customer satisfaction – accuracy, availability – can be achieved through steps but can be copied elsewhere. The third level is partnership, listening. The fourth and most advanced level is advice – customers like suppliers who help them learn. Meet these four and transform prospects into advocates. Partnership and advice cannot be achieved through technological approaches, you have to select the right people and focus them on these outcomes.

Focus on strengths and manage around weaknesses.

Help each person to become more of who he/she is. Great managers can describe in detail the unique talents of each of his/her people – what drives each one, how each one thinks, how each one build relationships. Like great novelists, they help each character to play him/herself out to the full.

The conventional approach says you can be anyone you want to be; in order to access your potential, identify your weaknesses and fix them. But these weaknesses will keep coming up, for instance in performance management discussions, because they will always be weaknesses as your inherent talents lie elsewhere. There are many problems with this approach.

1. First, it takes away individuality because it suggests that everyone can be the same – in theory, it suggests that we can all achieve the same as everyone else if we put in the effort, no unique destiny, no unique talent.
2. Second, persistence will overcome in the end. Effective managers reject this because life will be crushingly frustrating – the persistence is being misdirected if used to overcome weaknesses as opposed to bring out strengths.
3. Third, it affects the relationship with the manager. Because the manager is always concentrating on developing the weaknesses, the employee becomes characterised by these weaknesses rather than the strengths. This is often a problem in personal relationships too – the focus on problems by someone who knows you too well!
4. Fourth, the ‘victim is to blame’. Most managers cast themselves in the mentor role, point out the weaknesses and suggest that hard work will overcome them. Implicitly, you the employee can fix it. When you fail to achieve the impossible, turning non-talents into talents, the finger of blame points at you for not trying hard enough!

Persistence is very good when focused correctly. Persistence focused primarily on non-talents is wasted.

Great managers focus in three main areas:

1. Casting – getting the right person in the right role. If taking over new staff, they will focus on understanding their talents. Then they identify who should stay, who should go, and an unusual third group – those who have relevant talents but need the opportunity to use them. If getting new staff, they focus on identifying suitable talent.
2. Managing by exception – everyone should be treated as an exception. Each employee wants something different from their manager – for motivation, recognition, information, etc. Don’t follow the old ‘golden rule’ of “Treat people as you would like to be treated” as your staff are all different to you.
3. Spending most time with best people. The most opportunity for increased performance lies with the most talented people. As opposed to traditional practice where most time is spent with strugglers because the management role is seen to be controlling and instructing. Great managers see the core of their role as the catalyst to

turn talent into performance. You don't learn about excellence by studying what goes wrong, you need to study what goes right.

Great managers focus on improving excellence rather than labouring over average. Poor performance must be confronted head on.

The most straightforward causes are the mechanical – tools, support, etc. – and the personal – family problems, etc. But many problems are subtler. Ask two questions: Is the poor performance trainable? – if skills or knowledge, it probably is. Is the non-performance caused by the manager him/herself tripping the wrong trigger – the manager hasn't understood well enough what makes the person tick. If it is truly none of these, then the person probably has a talent problem – there is a mismatch between the person's talents and the talents needed for the role.

There is a difference between a weakness and a non-talent. Non-talents are in themselves neutral but they mutate into weaknesses when you are in a context in which they are necessary for success.

There are three possible solutions:

1. Devise a support system
2. Find a complementary partner
3. Find a new role that does fit the talents

If you find you are spending most of your time trying to sort out someone's weaknesses, you have almost certainly made a casting error and you need to follow option 3.

Find the right fit

Moving on does not necessarily mean promotion. This has implications on career paths, money, etc. Normally, promotions in a role mean different talents are needed that may or may not be there. Every signal of current workplace pushes employees to look onward and upward.

Each step requires the employee to climb but, as they climb, the rungs are burned beneath them – climbing back smacks of failure. Eventually they reach a rung at which they can't excel – the Peter Principle. This conventional career path creates conflict as the number of rungs reduces as the ladder gets higher. So more and more losers are created and prestige gets limited to very few.

Pay supports this career path and tends not to support high talents and broad experience that does not take a person up the ladder.

Every role performed at excellence needs to be recognised and respected.

Some steps that are being taken:

- Develop graded levels of achievement for every role so that people can track their progress to excellence and be recognised for doing so

- Establish a broad ranged pay plan so that there is no artificial financial incentive to move upwards. Excellence in the current role can pay more than developing performance in new role because of overlapping scales.
- Use creativity to revolt against a rigid system.

The true source of energy for a successful career is self-discovery, the guiding force for a healthy career. It allows much more flexibility to follow the possibilities of your talents. The manager is no longer the gate-keeper – the significant roles of great managers are:

- Levelling the playing field – providing an environment where money and prestige are spread throughout the organisation allowing employees to follow their talents through the organisation.
- Holding up the mirror – they excel at giving ongoing feedback, a constant part of their interaction. Part of this is the review of recent performance to allow the employee to understand talents better, but most of the discussion is about the future, and the role of the manager to support non-talents. And it is done in private despite the importance of teams. It doesn't matter how close the relationship is because feedback is based on performance and performance criteria. And the question always being asked is 'why' in order to understand.
- Creating a safety net – make it easier and safer for people to take career risks in order to learn and grow, for instance through trial periods, temporary roles, etc.

Giving bad news – e.g. terminating someone – is based on 'tough love'. This comes from the concept of talent because it frees the manager from blaming the employee. Bad performance is not the employee's fault for not trying hard enough, it is a joint problem of lack of successfully matching talent with role - miscasting. Perhaps the employee should have been more self-aware, perhaps the manager should have been more perceptive. Great managers hold up the mirror and encourage the employee to learn from what happened and to use the experience to find a better fit, a role in which he/she can excel. In the long term, the termination should help the employee find a role that plays to his/her talent.

4. Conclusion

Today, companies are seeking undiscovered reserves of value. Human nature is one of those last, vast reserves of value. Past access of containing and perfecting human nature as with other natural forces has not worked because of the lack of uniformity of people. This lack of uniformity is the key to the value and the manager is the key to unlocking the individual.