

Making the case for people management



People Management policies and practices are just for big companies, right? Well here's a challenge for you – read the statements below and indicate whether you agree or disagree with each.

1. *The level of absenteeism in my business is higher than I would like*
2. *The level of productivity in my business is not as high as I would like*
3. *People in my business do not seem to be as committed as I am*
4. *People leaving causes me a problem*
5. *Dealing with people issues takes up a disproportionate amount of my time*
6. *People seem unwilling to take risks and leave me to make all the decisions*

If you mostly ticked “disagree” to the questions above then you're doing it right, congratulations! Or, you're deceiving yourself! If you mostly ticked “agree” then read on.

Every business requires an element of Personnel Management policies and practices to be in place, if only to comply with the law. The purpose of this article is not to provide you with an overview of employment legislation. Conversely, the intention is not to start making statements along the lines of “people are our greatest asset”. Rather it is to make the case that effective people management a) involves more than making sure people get paid on time and b) should be as central to how you run your business as invoicing customers is.

Going back to the questions above, it would make sense to explore what factors might impact these scenarios. Much has been written about employee motivation, leadership and management etc. Our intention is not to review this research, but there is now general agreement that :

- in the vast majority of cases, paying someone more money does not make them work harder on a sustained basis. Money issues are a significantly more effective de-motivator than they are a motivator.
- most people are not inherently lazy and do not come to work intending to do a bad job – a brain comes free with every pair of hands!
- just because some people do not have a range of academic qualifications does not make them stupid.

So, what's the solution? Our argument is that good management practice and good people management are the same thing. It combines how managers operate with what people management processes the company has in place.

How do good managers operate?

1. They communicate effectively and often.

As a senior manager your role is to describe a vision for the future, make plans to achieve that vision, implement those plans and provide direction so people know what needs to be done. Simply by communicating “we need to do this because...”, your employees will at least understand the reasons for what you are asking them to do and they are more likely to commit.

We often find that employees make comments such as “we want more communication from manmagement”. Proactive companies often respond by implementing team briefings and creating intranets. However, our view is that what employees are actually saying is “we want to be listened to more...”. Communication is a two-way process and also involves listening. Not every employee will agree with your plans or your proposed actions. You might choose to ignore their views, but only do so if you want to generate an environment where people do not think for themselves and feel afraid to voice their opinions.

Effective managers also provide good quality feedback. This means giving people bad news as well as good news, but in a way that is constructive, fair, balanced, specific and non-judgemental.

The benefits – people will commit to change more readily as they understand the background to it, you will learn about things going on in the business you never would have before, people's performance on the job will improve as they receive good quality feedback on what they are doing well and not so well.

The cost of not doing it – You will find yourself agreeing to the 6 situations above!

How to do it – You don't need the after dinner speaking skills of Peter Ustinov or the visionary capability of Martin Luther-King. It is enough to make sure you greet everyone in the morning, ask them how they are, organise regular meetings to inform people how the business is doing, ask them for their input or opinion on things and provide timely feedback.

2. They recognise people for their effort

When your dog does something you approve of we guarantee you will say something along the lines of "Good boy" . Do you do the same with your people?

The benefits – people feel good when their efforts and contributions have been recognised.

The cost of not doing it – people soon learn that there is no point going the extra mile and you will find yourself agreeing to the 6 situations above.

How to do it – there is no need for Employee of the Month schemes, just saying "thank you" will do the trick.

3. They get involved and encourage involvement

None of your employees believe you were born free from all error and endowed with never ending capability. Believe us, they will be as aware of your failings and foibles as your spouse is! Getting involved is about making people feel that you are fighting for the same cause. Getting them involved and seeking involvement makes them feel valued and part of something.

The benefits – people will view you as more approachable and feel able to tell you things and make suggestions they might not otherwise. You will find out things that you never knew, you will find that your people can actually solve problems instead of you having to do it all, your people will be more committed to you and your business and you will be able to delegate more as a result.

The cost of not doing it – Your business will suffer from a "them and us" culture, you will only find out about things when they become a disaster and you will find yourself agreeing to the 6 situations above.

How to do it – let your hair down, organise a party every Christmas, admit to your mistakes. Crucially, ask people for their ideas on how they would do things and adopt a coaching style of management. If they come to you asking what they should do, first ask them what they think they should do. At first they might not be able to give you an answer, but resist the urge to tell them and they will soon start to think for themselves. After a while they will come to you with solutions rather than problems.

4. They are consistent and fair

One of the most common causes of employee dissatisfaction is managers not being fair in the way they treat people. Fairness is judged on the nature of the decision taken, but also the consistency with which subsequent decisions are made. In fact this is a cornerstone of how unfair dismissal claims are judged in Employment Tribunals. For example, not allowing people to carry holidays over from one year to the next might not please everyone, but if you communicate the reasons why they will accept it. However, as soon as you subsequently allow one person to carry holidays over as a one-off you will have a riot on your hands.

The benefits – everyone knows where they stand and can predict your decisions without having to ask, you spend less time arguing and justifying your actions.

The costs of not doing it – people start to find loopholes, they complain to each other, you might find a number of unfair dismissal claims against you and you will find yourself agreeing to the 6 situations above.

How to do it – design an employee handbook to explain the rules and policies of your company, make sure every new employee receives induction training, think through all the possible loopholes of any decision you are considering before making it, involve people, communicate clearly, then stand firm and don't capitulate.

5. They continually develop their people

More and more needs to be achieved with less and less these days. The days of the manager being the font of all knowledge are gone. For individual managers to be successful their people have to be successful. In addition, employee expectations are rising. A recent survey by Reed Consulting showed that nearly 50% of people left their jobs because of a lack of opportunity for personal development – this was three times as important as any other factor.

The benefits – you will be able to delegate more tasks freeing you up to do other things, retention of employees will be higher, business results will be better

The costs of not doing it – people will leave, you will become increasingly busy and unable to delegate and you will find yourself agreeing to the 6 situations above.

How to do it – Developing people can be about training them, but is more about providing them with continuous feedback on their performance, coaching them to arrive at their own solutions and delegating tasks to stretch their capabilities.

What about organisational processes?

Good managers can actually operate in an environment where no HR processes are in place – no-one ever left a company where the managers were great, but the appraisal system was not up to expectations! This is exactly why the recruitment and development of managers is so crucial. However, ensuring that every single one of your managers is the best they can be takes a lot of time, skill, money and effort which is the reason why many companies also implement good HR practices to support their managers.

Employee Surveys – diagnosing the current state

If some of the issues highlighted at the start of this article ring true for your organisation it might pay dividends to find out why the situation is as it is. As was stated in the communication section the best way to do this is to ask people. The problem is that if the way people are managed is the problem they are unlikely to tell the managers what the real problem is. This is where employee surveys can benefit. If you are considering using an employee survey though it is critical to bear in mind that you need to explain to people what the survey is all about, it might help to make it anonymous, but most important of all you should ensure that you inform people what the survey results revealed and you should commit to implementing changes as a result of the survey findings.

Recruitment – getting it right in the first place

Employing managers with the right leadership style in addition to technical knowledge and expertise is a golden opportunity. Recruitment costs can be higher as you might need to advertise in higher profile publications, employ search consultants and maybe pay a higher salary, but the value they will add to your business as a result will far outweigh the initial costs.

Good recruitment starts by knowing what you are looking for. Defining the particular skills, qualities and behaviours that your business requires can be a complex process, but enables you to be more accurate in your recruitment. The use of rigorous selection techniques such as structured interviews combined with psychometric testing or even full-blown assessment centres greatly enhances the likelihood of recruiting the right people into your business.

Performance Management – helping everyone get better

More commonly known as appraisal, performance management is about exactly that – managing people's performance. Whilst appraisal tends to be a paper-based backward-looking exercise often resented by both managers and employees, a good performance management process can help drive improvement by focussing on employee development and achievement of objectives.

Succession/Talent Management – ensuring continuity

The facts of life are that sooner or later you might lose some of your key people, it might even be you. In addition, as your business expands, the need for people to be appointed into key positions might increase. As we have seen, effective recruitment and selection processes can help fill the gaps, but a much more pro-active approach is to consider who from within your organisation might fill these positions before they become vacant. Traditionally the process of succession planning is used by larger organisations, but this can often be another paper-exercise that is rarely applied in practice. A more pro-active approach to succession is Talent Management.

Talent Management aims to raise the discussion above “who might be able to fill this role in the future” to “who are the people in the organisation we think have the potential to grow into more senior leadership roles in the future?” The aim is to build a talent pool across the organisation at a number of different levels. Of course these people need to have a track record of performance in their job, but the focus is on performance *and* potential.

Leadership development – If you can't buy it grow it

We said earlier that the best managers develop their people. This principle applies at all levels which is why the most successful companies invest in continually developing their leaders.

Still don't think you need to do any of this stuff? Answer the questions at the beginning of this article.