

FIRST, BREAK ALL THE RULES

What the World's Greatest Managers Do Differently

By Marcus Buckingham and Curt Coffman

THE SUMMARY IN BRIEF

Based on in-depth interviews with more than 80,000 managers at all levels (and in companies of all sizes), the Gallup Organization's Buckingham and Coffman reveal in this summary what great managers do differently from ordinary managers to coax world class performance out of their workers.

Great managers, write the authors, routinely break all the rules. They take the conventional wisdom about human nature and managing people and turn it upside down.

In this summary you will learn which conventional wisdoms to ignore. First, you will find a simple list of twelve questions that will help you assess whether your workplace is the kind of place that will attract and keep the best employees.

You will then learn the four keys for unlocking the potential of each and every one of your employees.

The first key is to select employees based on

talent rather than experience or intelligence. This summary will help you learn what talent is and why you can't create it from scratch.

The second key is to evaluate performance based on desired outcomes rather than direct control over the way a worker performs his or her job. You will learn how to define outcomes so performance can be measured and tracked.

The third key to great management is to reject the conventional wisdom that people can be fixed. Focus on strength, the authors urge, not on weaknesses. You will learn how to manage around weaknesses.

The fourth and final key is to find the right fit for your employees' talents. Again, you will learn to avoid the conventional wisdom that promotion is the only just reward for high performance - mindset that creates an organization where everyone is ultimately promoted to their level of incompetence.

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THE COMPLETE SUMMARY

The Measuring Stick

Today, more than ever, employers realize they must find and keep top talent for every role. And the approach many of them are taking is to offer an array of carrots to keep employees happy and around. The problem is that carrots in the form of perks are expensive and may not accomplish their purpose. Carrots don't distinguish between great performers, mediocre performers or poor ones. Your job, of course, is to attract and keep top performers. Unfortunately, the measures you and your company are using to determine if you are succeeding may not accurately reflect what is really happening.

You need a new measuring stick. That stick is an assessment of the strength of your workplace. Through an extensive survey, the Gallup Organization has isolated the 12 characteristics of a strong workplace as that workplace is seen through the eyes of the most successful and productive employees. If employees can answer each of the following 12 questions affirmatively, you have a strong workplace, a workplace where the best want to work and stay.

1. Do I know what is expected of me at work?
2. Do I have the equipment and material 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/purpose of my company make me feel 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?

As a manager, it is your job to make sure employees can respond with a resounding *yes* to these dozen questions. If they can, you likely have a strong workplace capable of attracting and keeping top performers at every level from the bottom to the top.

You probably noticed that there are no questions about pay, benefits, senior management or organizational structure on the list. The reason is that

those are important to every employee, good, bad or mediocre. Therefore, they aren't a true measure of a healthy and strong workplace. A workplace with nothing but low-performing employees but an excellent benefit plan would fare very well on a survey, but the survey responses would say nothing about how well the company attracts and keeps the best. And therein lies the folly of the "best places to work" type surveys. Just because a place is a good place to work doesn't mean it will attract good workers. It may be a popular but weak workplace.

To test this theory, The Gallup Organization surveyed 2,500 business units. After assessing their productivity, profitability, retention levels and customer ratings, employees were asked to answer the 12 questions.

Consistently, the companies that ranked highest in the four measures of success had workers who answered the questions affirmatively and emphatically. That is, the best business units had more workers respond that they strongly agreed with each of the 12 questions while the worst business units had fewer workers respond that way. There was a clear link between employee opinion and business unit performance.

Managers are the key to a strong workplace. Managers who create an environment where workers can answer the questions positively are the managers who will attract and retain the best.

What a Strong Workplace Looks Like

Lankford-Sysco is a strong workplace. The Ocean City, MD, workplace doesn't look very special. The warehouses are cold and foreboding. Workers clad in arctic wear move crates in and out of deep freezers. But as you continue your tour, you quickly notice the workers are focused and cheerful. In the lobby there is a huge mural depicting company history as well as an employee portrait gallery. The company is part of a \$15 billion food distribution giant, yet resembles the small, family owned operation it was before merging with industry giant Sysco.

The company has a turnover rate in the single digits, absenteeism is at an all-time low, and theft is virtually nonexistent. Company executives think they know the reason. Every employee is paid for performance regardless of what position he or she holds. Managers constantly talk about the importance of customers and say they treat workers with respect and really listen to their concerns. In turn, workers measure their success by personal bests like breakage records and miles traveled without accidents. Virtually everyone would answer *yes* to the 12 measuring stick questions.

The Wisdom of Great Managers

How do the best managers in the world lay the foundations of a strong workplace? The Gallup Organization set out to answer that question in phase two of a massive survey project. First, the researcher asked clients to identify their best managers, the ones “you would dearly love to clone.” Next, the managers were evaluated by standard measures such as the productivity and profitability of their divisions, employee accidents, shrinkage, customer feedback and employee opinion. Those who scored the best overall were interviewed and asked about their management practices.

Next, another group of managers was identified. This group did not perform anywhere near the level of the first set. Instead, they could best be characterized as mediocre. They, too, completed the interview. When the results were compared, a remarkable discovery came to light. Great managers break all the rules. They ignore the conventional wisdom that says management’s job is to identify worker weaknesses and devise a plan to correct and overcome those weaknesses. Instead, they operate on the assumption that people don’t and probably can’t change many of the traits they carry. Good managers recognize the futility in demanding change and concentrate instead on developing employee strengths.

Managers are not Leaders

If your company is going to succeed in developing great managers, it had best begin by breaking the conventional rule that managers are just leaders in waiting. Great managers need to be recognized for what they do best; reaching inside a worker and encouraging exceptional performance. That is not the same as being a great leader.

Great managers look inward, inside the company, into the individual, into the differences in style, goals, needs and motivations of each person. They then find the right way to release each person’s unique talents into great performance. By contrast, great leaders look outward. They look out of the company, into the future, and seek out alternative routes. They are visionaries, strategic thinkers, activators. The core

activities of a manager and a leader are very different. If you want great managers, you must stop insisting that they be great leaders and let them concentrate on their talent: managing.

Be wary of compensation systems that identify countless “competencies” for managers and expect every manager to possess them all. Just as great managers build on worker strengths and don’t try to completely overhaul weaknesses, companies should not insist that managers develop visionary talents they simply may not have. Concentrate instead on developing the skills needed to select, set expectations, motivate and develop employees.

Here’s how you do that.

First, when you select someone, **select for talent** rather than the more conventional approach, which is

to select for experience, intelligence or determination. Talent is crucial to success once you understand that you can’t teach talent, only develop it. Talent can’t be added later, it is either there or it is not. If it is there, it can be nurtured to grow.

Next, when you set expectations, **define the outcome** rather than the right steps. That way, the individual is free to select how to reach the outcome the best way possible using his or her unique talents (within the confines of legal and practical considerations, of course.) By defining the outcome rather than dictating the steps, you allow each

worker to use his or her talent to the fullest.

Next, motivate by **focusing on strengths** rather than weaknesses. Remember, it is harder to transform weaknesses than it is to develop strengths. If you focus on weaknesses, you doom the worker to perpetual and impossible self-improvement plans. Instead, recognize that some workers will be more productive and happier doing what they have a talent for. Instead, find ways to reward those who don’t want to move up.

Finally, when developing someone, **help him or her find the right fit**, rather than simply the next rung of the corporate ladder. Don’t do what most managers do, which is to promote everyone to their level of incompetence.

Manager as Catalyst

*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 is hard enough.*

That’s the revolutionary conclusion of great managers. Great managers share another trait; they see their role as catalyst rather than manager. One on one, great managers reach inside workers and coax great performance. To become a great manager, you must work to get positive answers to the first six questions high performers answered affirmatively. To get those answers, you must perform these four activities well:

- ✓ Select the right person for the job.
- ✓ Set appropriate expectations.
- ✓ Motivate the person.
- ✓ Develop the person.

The First Key: Select for Talent

Talent is a quality we are all familiar with. Michael Jordan has talent, as do Robert De Niro, Tiger Woods, Jay Leno, and Maya Angelou. These celebrities have special abilities in sports and the arts. But talent isn't restricted to Hollywood or the sports arena. Good managers recognize that talent is something everyone possesses in varying degrees.

Talent may be the ability to remember the name that

Myths of Talents

Myth # 1 Talents are rare and special

The truth is there is nothing particularly special about talent. Remember, a talent is simply a recurring pattern of thought, feeling, or behavior. The key is for managers to help each employee cultivate his talents by finding him a role that plays to those talents. Nurses who can empathize are valuable as floor nurses, not administrators. Similarly, surgeons and anesthesiologists may love the thrill of life and death decisions that others might feel as pressure. They are well suited for their jobs.

Myth # 2: Some roles are so easy, they don't require talent

All roles require talent. And managers who assume anyone could do a particular job or that everyone doing that job wants out of it as soon as possible are seeing the position through their own filters.

goes with the face, or the ability to solve complex puzzles. It can be your fascination with risk or your impatience. It can be your aversion to risk and your patience. In the workplace, talent is any recurring pattern of thought, feeling or behavior.

Great managers understand that every role performed with excellence requires talent, because every role requires certain recurring patterns of thought, feelings or behavior. Consider the example of great nurses. Great nurses have a talent we commonly call empathy, or the ability to feel what another is feeling. They empathize with their charges, making the patient feel that they are cared about

Talent is far more important than experience, brainpower or will power. Managers who pore over each person's résumé to see who he or she worked for and the kind of work he or she performed believe the past is a window to the future, and credit experience as a valuable lesson. Experience can be all that, but it is no guarantee. And intelligence is nice, but it does not guarantee performance. We have all had experiences

with workers who got great grades in school but simply weren't motivated or interested in performing in the job. Similarly, willpower is not enough.

If you want to be an exceptional manager, you must select for talent. To do so, you must know what talent is necessary for the job. The best way to identify relevant talents is to study your best.

The Right Stuff

Perhaps nothing better illustrates the need to place talent over experience, determination or intelligence than the Mercury Space Program. Faced with the race for space, seven men were carefully selected for the program after passing rigorous physical and psychological tests. All seven were trained on space travel. Eventually, they would fly six missions.

In all, there were two textbook flights, two heroic ones and two mediocre ones. Two men, Allen Shepard and Wally Schirra, experienced the textbook flights with no drama and no surprises. Two others had heroic flights. Both John Glenn and Gordon Cooper experienced unanticipated mechanical problems and both handled them brilliantly. Cooper even managed the most accurate splashdown of the program despite a loss of his reentry guidance system. But two did considerably less well. Gus Grisson panicked when his craft splashed down and opened his hatch too soon in an effort to get out. He was rescued but the craft was lost. Scott Cooper appeared to be so excited about his flight that he foolishly used up most of his fuel flying this way and that. He was almost lost in space forever.

Why did six well-trained, smart and experienced astronauts perform so differently? The answer lies in talent. Exposed to the same stimuli, all six reacted differently, filtering what was happening. They each

Three Kinds of Talent

There are three basic types of talent: striving, thinking and relating talents.

Striving talents explain the *why* of a person. Does he or she want to stand out, or is good enough good enough?

Thinking talents explain the *how* of a person. Does he think linearly or does he or she strategize with "what if" games? Is he or she structured or does the person love surprises?

Relating talents explain the *who* of a person. Whom does he or she trust, whom does he or she build relationships with? Does he love confrontation or avoid it?

had a unique way of responding to what was happening. One panicked when claustrophobia set in, another was unable to control his desire to play, while others reacted to emergencies calmly and saved the day.

The Second Key: Define the Right Outcomes

If you want to manage well, you must understand that management is not about direct control, but about remote control. That is, you must realize that trying to control every aspect of someone's performance is futile. The object must be to allow people enough room to accomplish the goals set by the organization.

World class managers understand this concept almost intuitively and see their role as focusing people toward performance. In other words, they don't see their primary goal as developing workers or creating an environment that makes each person feel special and significant. But remarkably, by focusing on performance enhancement, those things happen anyway.

The dilemma for managers is that they know they can't change much about an individual and that they must focus people on performance. The solution is both elegant and efficient. Define the outcome and let each person find his or her own way to it. Each person can reach the outcome by the route most comfortable for him or her, and each worker takes responsibility for the solution. In the end, by focusing on outcome, your employees will become more self-reliant and self-aware.

Perfect Plan Flops

When Madeline Hunter, an educator at UCLA, studied expert teachers, she saw that they had a method in common. They approached each lesson in a similar fashion, starting with a brief review and ending with a period of independent study. She became convinced that by following a simple seven-step lesson plan, every teacher could be a great teacher, every teacher could be perfect.

She was wrong. In practice, there were no differences in test scores for students taught with her method than other methods. Other teachers using other methods sometimes did better, and sometimes worse. In the end, her one best way method flopped, partly because different teachers have different talents. When the focus was on the steps and not the outcome, the steps were useless.

The Temptation to Control

If you want to manage your division or company effectively, you must avoid the temptation to take control of the way your employees achieve the outcomes you defined. Each temptation is familiar and each can sap the life out of the company.

First, avoid the temptation to create perfect people. Imagine a well-intentioned expert wanting to help workers rise above their imperfections. He identified the "one best way" to perform a function.

And off to training they go because the manager believes that the "one best way" can be taught. Once his people are trained, he reasons, all that is left is to monitor that everyone is following the plan.

Don't attempt to make perfect people. What looks like a miracle cure is actually a disease that diminishes

Remember Desired Outcome

Airlines often define customer satisfaction in terms of on-time departures. In practice, some airlines define on-time departures from the time the plane left the gate. Time spent on the tarmac isn't counted. Consider what happens when a plane full of passengers waits to take off for several hours because the airline does not want to cancel the departure and lose an on-time departure. Here, the defined rule (leaving the gate but not leaving the ground) prevents reaching the desired outcome (customer satisfaction).

and demeans people, and weakens the organization.

Second, avoid the temptation to declare that your people don't have enough talent. Every job requires some talent. Select for it and you won't need to control every move. For example, not everyone is suited for outbound telemarketing. No amount of training is going to make someone succeed who is afraid of rejection and non-competitive, no matter what script he or she follows. Instead, select for the dual talents of competitiveness and ability to connect to others.

Third, don't buy the belief that trust is precious and must be earned. If you have a basic mistrust of people, you are likely to want to control the details of their performance rather than set the outcomes and let the employee find his or her way.

Another temptation you must guard against is the belief that some outcomes defy definition. It just isn't so. Some outcomes, such as "employee morale" or "customer satisfaction" may be difficult to define, but they are measurable nonetheless.

Rules of Thumb

Follow these rules of thumb, and you will manage for outcome by turning talent into performance:

- All employees must follow safety and accuracy rules for everyone's protection.
- Employees must follow required steps when they are a part of company or industry standards.
- Required steps are only useful if they don't obscure the desired outcome.
- Steps don't lead to customer satisfaction, but can only prevent dissatisfaction.

The Third Key: Focus on Strengths

If you want to become a great manager and want to release each person's potential, you must let workers become more of what they already are. You must focus on each employee's strengths and manage around his or her weaknesses. Each person is different, with a unique set of talents, passions, yearnings and patterns of behavior. Don't let stereotypes about people blind you to that reality.

It is very tempting to try to fix people, but it just doesn't work. It simply isn't true that everyone can be anything they want to be if only they try hard enough. If you only focus on weaknesses, you are doomed to failure just as you would be if you tried to "fix" a romantic interest. If you insist that every worker turn non-talents into talents, it simply won't happen. The worker will fail.

So how does a great manager manage around weaknesses and encourage strengths? It is actually rather simple. First, make sure each worker is in a role that uses his or her talents; casting is everything. Second, manage by exception. And finally, spend the most time with your best people.

Casting for Talent

If you want to turn talent into performance, you must position each person so that you are paying him or her to do what he or she is naturally wired to do. That means you place your patient, relationship-building salesman in the territory that requires careful nurturing and your aggressive, ego-driven salesman in the territory that requires a fire lit under it.

Of course, sometimes it isn't that easy. Many managers take over a group of workers and go about identifying keepers and losers, and then fill the empty slots with new people. But don't throw out the losers so fast; perhaps they were miscast and there is another role for them. Sometimes it is as simple as recognizing what kind of attention the employee craves. A "loser" who desires a close relationship with a manager may blossom if you give it to him or her.

Manage by Exception

Every worker should be treated as an exception, as a unique individual. Some want you to leave them alone. Others want to check in with you regularly. Some crave recognition by you, the "boss." Others are only happy with peer praise. Some want publicity, while others want a private, quiet thanks for a job well done.

The best managers break the Golden Rule every day. Instead of doing unto others as they would want done onto them, they do unto others as others would have done unto themselves. But how do you know how your

employees want to be treated? Ask! In particular, get to know their goals for the future and how they prefer to be praised. It makes no sense, for example, to force a shy worker to accept an award at a gala banquet.

Above all else, don't believe that fairness requires you to treat everyone alike. Act as if each worker is unique and give each what he or she needs to succeed.

Spend the Most Time With Your Best People

Great managers play favorites. Great managers spend the most time with the most productive members of their staff. Remember that "no news" kills behavior. Your stars may think you are ignoring them if you spend most of your time with the strugglers, and will eventually stop being your top performers. You must tell them often that they are your top people.

Ironically, spending a lot of time with your strugglers isn't very productive. Oh, to be sure, you begin to understand what failure looks like. But don't assume that you will learn what works. That you can only learn from your top performers.

Average is Irrelevant

Consider what happens when performance is measured against "excellent" performers rather than the average. For data entry work, the national average is 380,000 keypunches per month. But a wise manager doesn't measure performance against that. Here's what happened when one manager used a top performer, who "averaged" 560,000 punches per month, as the standard. Within six months of receiving feedback and recognition, she was over the 3 million mark! Her manager designed a performance pay plan around her. Today, the department "average" is over 1 million strokes.

It is also crucial that you get away from looking at everything through averages. In business, far too much is measured in terms of average. Don't make the mistake of using averages to calculate performance. Do not measure a struggler's performance against the average; measure it against excellent performance.

How to Manage Around a Weakness

All this focus on high performers doesn't mean that you should ignore the non-performers. Poor performance must be confronted head on, or it will degenerate into a dangerously unproductive situation. Procrastination in the face of poor performance is a fool's remedy.

First, a great manager will look for obvious solutions to a performance problem. Does the worker have the equipment and support needed to do the job? If not,

get it. Is there a personal problem? If so, be patient. Next, see if the problem can be cured with some training. Perhaps the employee isn't adept at a computer program and needs some instruction.

The problem is more complicated if the employee is being asked to perform a job for which he or she does not have talent. For example, if you can't remember names, that non-talent becomes a weakness if you take a job as a server in a restaurant. If talent is lacking, there are only three possible ways to make it work. Either devise a support system to overcome the lack of talent, or find a compatible partner for him or her, or find an alternative role.

The Fourth Key: Find the Right Fit

Sooner or later, someone who works for you will tell you he wants to grow, to earn more status and money, and gain more prestige. He wants to move up and wants your help. Should you help him? That depends on whether the worker's talents can be utilized in the role he seeks.

Your role as a manager is to make sure your employees are in roles that fit. This may mean a promotion, a lateral move, or even a move back to another position. Understandably, a transfer or "demotion" may be unpopular, and a promotion popular, but a great manager always steers workers toward roles that create the greatest chance for success.

The problem with conventional wisdom is that promotion to the next level is seen as inevitable, desirable and the only way to get ahead. It doesn't have to be that way. Companies can design systems that reward people who climb the ladder and those who don't. Only when there are opportunities for more prestige and more money at the present level will the allure of the corporate ladder lose its pull. And only then will workers find that they haven't been promoted into roles that don't fit.

One solution is to create pay plans that rely on broadbanding. With a broadband system, pay scales often overlap. That is, a lower level position may pay far more than the entry-level position next on the career ladder. Companies that broadband pay scales recognize that those who perform a role well shouldn't have to abandon that role for the next one up the ladder. In effect, those who are comfortable in their

current role aren't tempted to take a promotion solely for the money. In fact, with broadbanding, the promotion may net less pay, not more.

Another solution is to create upper level jobs that still utilize talents workers used previously, but don't ask the worker to perform an entirely foreign role. Lawyers have been doing this for years. Attorneys start as associates with a specialty and develop their area of expertise as they move up through the ranks to partner.

A Perfect Support System

When a fast food restaurant chain began hiring mentally disabled workers, managers faced several performance challenges. One involved a young woman whose job it was to load frozen chicken into a fryer and remove the chicken when a bell rang. She did well except for one problem. She could not count to six, the maximum number of chicken pieces the fryer could hold for safe and thorough frying. She did not have a talent for counting, and teaching her was impossible. The restaurant reasoned that if they could supply chicken prepacked in six piece lots, she would be able to do the job. The supplier refused to cooperate, so the restaurant found one that would. With the proper support system, the worker succeeded.

Turning the Keys: A Practical Guide

You now know that the four keys to great management are selecting for talent, defining the right outcomes, focusing on strengths, and finding the right fit. You are now ready to turn the keys.

Interview for Talent

Remember that interviewing for talent, rather than just experience, intelligence and drive, is an

art form. Here are some tools that may help. First, make sure the talent interview stands on its own. There is only one purpose, to see if the candidate's recurring patterns of thought, feeling and behavior match the job. This interview must be very structured.

Start by asking a few open-ended questions and wait for the answer. For example, you might ask a teaching candidate what he likes about teaching. Let him answer and be quiet. And believe his answers even if they aren't what you want to hear.

Second, listen for specific responses to questions like "Tell me about a time when you overcame resistance to an idea." If the candidate can't provide specifics quickly, he or she probably hasn't overcome resistance very often; it is not a trait he or she has.

Next, listen for clues to talents. Ask the applicant what kinds of roles he or she has learned rapidly in the past. Ask what satisfies him or her about past work.

Turning the Last Three Keys Everyday

The biggest challenge for great managers is to continue to turn the last three keys every day. To meet this challenge, great managers develop a routine for performance management that displays four characteristics:

- **Simplicity.** Great managers don't use complicated appraisal systems. Instead, they concentrate on what to tell each employee and how to tell them.
- **Frequent interaction.** Great managers also frequently interact with each worker, not just once a year at review time. Meet, at a minimum, once a quarter to discuss performance. The meeting doesn't have to last long, but it must focus on performance. One clear advantage to frequent feedback is that poor performance can be corrected earlier rather than be left for a "bombshell" discussion at annual review time.
- **Focus on the future.** All reviews should focus on the future. Great managers ask workers to identify where they want to go and how they are going to go about getting there.
- **Self-tracking.** Great managers also ask workers to track their own performance and write down successes, goals and discoveries throughout the review period.

Creating the Climate for Great Managers

Companies can do a great deal to create a climate in which great managers flourish. Great performance will happen if companies defy conventional wisdom and start turning the four keys to performance. How do you start?

First, define every role in terms of outcomes. Second, begin measuring, rating and quantifying as many outcomes as possible. And hold managers accountable for their employees' responses to the 12 questions discussed earlier.

The company also has to value world class performance in every role at every level. Broadband salaries and reward personal bests. Don't forget to study the top performers; they are the key to success. If you create a climate where great managers can flourish, you will begin experiencing performance management at its best.

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