Fully Revised *Wall Street Journal* Bestseller

The BOSS'S Survival Guide

SECOND EDITION

Workplace 911 for the toughest problems today's managers face

Bob Rosner and Allan Halcrow

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McGraw Hill

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To Hallie and Frankie, I hope this will help to create a saner workplace for you.

—BR

To my father, Douglas Halcrow, for setting the example.

—AH

Contents

Special Acknowledgments
Acknowledgments

Chapter 1 The Forgotten Four
- The Forgotten Four
- Fairness
- Flexibility
- Leverage
- Empathy
- Forgotten Four Summarized
- Do the Right Thing

Chapter 2 The Essential 10: A Short Course in Management
- Surviving Tough Times: The Essential 10
- Having a Bigger Impact at Work: The Essential 10
- Staying Out of Jail: The Essential 10
- Keeping Your Best People: The Essential 10

Chapter 3 Managing Yourself
- Managing Up: How to Keep *Your* Boss Happy
- Your Career: How to Stay Competitive in the Job Market
- 12 Questions to Measure Your Effectiveness
- 360-Degree Feedback: How to Get the Truth (and Improve Your Performance)
- Mission, Goal Setting, and Finding Opportunities: How to Sort Out the “Where To?” of Work
- Time Management: How to Make the Most of Every Hour
- Stress: How to Cope with Workplace Pressure
- Project Management: How to Stay on Top of What You Need to Do
- Walk the Talk: How to Align What You Say and What You Do
- Listening Skills: How to Hear What People Really Have to Say
- Apologizing: Why Managing Often Means Having to Say You’re Sorry

Chapter 4 Managing Performance
- Leadership: How to Vary Your Style to Get Results
- Managing 101: How to Be the Boss Today’s Employees Need
- Keep Employees in the Loop: How to Fill the Information Vacuum

Job Descriptions: How to Draft Blueprints for Results
Behavioral Expectations: How to Direct the *How* of the Job
The Handbook: How to Use the Rules to Your Advantage
Informal Recognition: How to Keep Employees Motivated
Formal Recognition: How to Celebrate Milestones
Documenting Performance: How to Be Fair, Complete, and Legal
Performance Reviews: How to Keep Employees on Track
Personnel Files: How to Keep Your Records Useful and Legal
Overtime/Comp Time: How to Pay People
Negligent Supervision: How What You Don't Do Can Cost You
Training: How to Keep People Learning and Growing
Meetings: How to Get Things Done (Without Wasting Time)
Working with HR: How Human Resources Can Help You Get the Most Out of Your Team

Chapter 5 And Then There's Real Life
Conflict Management: How to Resolve Disagreements (Without Bloodshed)
Fear and Mistrust: How to Overcome Negative Emotions That Infect the Workplace
Sexual Harassment: How to Recognize and Prevent Inappropriate Behavior
Privacy: How to Balance the Rights of Employees and Your Company
Medical Problems and the FMLA: How to Help an Employee Through a Personal or Family Medical Crisis
Drug and Alcohol Abuse: How to Confront the Addicted Employee

Chapter 6 It's Not Your Father's Workplace
Innovation: How to Get Creative in Tough Times
Organizational Culture: How to Manage in Sync with Your Company's Values
E-mail: How to Manage Electronic Communication (and Not Let It Manage You)
The Internet: How to Keep an Asset from Becoming a Liability (or a Lawsuit)
Texts, Tweets, and the Next New Technology: How to Stay Connected (Without Losing Your Mind)
Virtual Employees: How to Manage the People You Can't See
Emotional Intelligence: How to Recognize and Use the Data in Your Emotions

Chapter 7 Today's Diverse Workforce
Cultural Values: How to Get Past Race and Ethnicity

The Generation Gap: How to Help Everyone Get Along (and Get Things Done)
Disabilities: How to Help Employees Give Their Best
Religion: How to Respect Established Practices
Sexual Orientation: How to Include the Invisible Minority
Parents: How to Help Employees Balance Work and Family
Employees Without Children: How to Reap Rewards by Recognizing Personal Lives

Chapter 8 Making Successful Hires
Sourcing Candidates: Where to Find the Right Person for the Job
Applications: How to Get the Basic Information You Need
Résumés: How to Spot the Hype and Find the Truth
Assessment Tools: How to Be Sure Candidates Will Fit In
Physicals: How to Be Sure Candidates Will Be Able to Do the Job
Reference Checks: How to Get the Whole Story
Background Checks: How to Find Out What Candidates Don’t Want You to Know
Interviews: How to Get the Information You Need
Job Offers: How to Structure and Negotiate a Win-Win Package
Closing the Deal: How to Turn Candidates into Employees
First Days on the Job: How to Lay the Groundwork for Success
The 90-Day Review: How to Decide Whether the Employee Should Stay—Or Go

Chapter 9 Discipline and Termination
Discipline: How to Change Problem Behavior
Termination: How to Let People Go Fairly and Legally
Constructive Termination: How to Protect Yourself from Claims That People Were Forced to Quit
Termination Letters: How to Write a Document That Protects Your Company
Resignations: How to Get Closure When People Move On
Alternatives to Layoffs: How to Keep Top Talent (and Still Cut Costs)
Layoffs: How to Cut the Risk of Lawsuits

Postscript

Index

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The authors appreciate all the advice and counsel that we received from WorkplaceFairness.org in the course of writing this revision. *PC Magazine* called WorkplaceFairness.org one of the Web sites "that you can't live without." The site is consistently ranked at or near the top of Google's searches on workplace legal issues. The Web site has been nominated for a Webby and most other Web awards that matter. Their information is easy to understand and digest. Paula Brantner is a true leader in her field—visionary, committed, and always willing to go above and beyond the call of duty. But don't take our word for it; check out WorkplaceFairness.org yourself.

AUTHORS' NOTE

All the material in this book reflects the views of the authors. Although we've made every effort to be legally accurate, it should not be construed as legal advice.

In the interest of improving readability, we decided not to use the cumbersome "he or she" and "his or hers" construction of sentences when we are not referring to specific people. We also chose not to break the rules of grammar and use "they" when referring to a single person. Instead, we've used "he" or "she" throughout the book. The choice of which we used in any given place is entirely random, and should not be construed as a political statement. Really.

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—BR

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—AH

1

The Forgotten Four

What's it like to be a boss today? The Beirut Commodore Hotel immediately leaps to mind.

A hotel? Yes. During the Lebanese Civil War the Commodore was the hotel of choice for journalists covering the war. When you checked in, the front-desk staff would smile and ask, "Shelling side or sniper side?"

Sound familiar?

Today's bosses get sniped from below by employees and vendors and shelled from above by their bosses, customers, and the economy in general. We're not exaggerating when we say that there has never been a tougher time to be a boss. It's so bad that today there aren't many people out there eager to admit that they *are* the boss. The confident swagger of the corner-office crowd has been replaced by the furtive scurry that used to be reserved for politicians caught in a scandal.

In fact, we did a poll asking which movie title best described your relationship with the boss. One in five said *Little Shop of Horrors*. One in four said *It's a Wonderful Life*. But the number one movie describing the relationship between bosses and employees? *House of Games,* the choice of 55 percent of those polled. Ouch!

How did "the Boss" fall so far—so fast—in the national hierarchy? Just as a few high-profile druggies have tarnished all of professional sports (and Bernie Madoff gave all financial advisors a black eye), a handful of boneheaded CEOs behind some spectacular flame-outs have undermined the Captain America image of corporate leadership. Lehman Brothers, Enron, Circuit City, AIG, WorldCom—the ever-expanding list of corporations run into the ground through greed, incompetence, and stupidity have made CEOs an easy target.

Don't believe us? Then take note of Hollywood, that great zeitgeist thermometer. From James Bond to *Wall-E,* corporate executives have replaced Russians, third-world tyrants, and mafia dons as the villain du jour at today's multiplex.

And why not? There's a certain vicarious thrill in seeing a CEO suffer a fantasy comeuppance. If we can't get in the face of the CEO who gambled away our retirement, did away with our job, and flew the corporate jet to ask Congress for a bailout, at least 007 can. This time, it's personal: we've all suffered because of wretched corporate excess.

And if you're a boss somewhat lower on the totem poll, it's probably not news to you that you've suffered doubly. After all, you're the one left to clean up the mess—to show up every day as the face of management, to watch morale fall off a cliff, to throw a few people under the bus yourself, and, oh yes, to be thanked for it all by wondering when the hatchet will fall on *you*.

The only thing worse than hearing that miserable phrase, "Do more with less" at work? Being stuck saying it.

And wait—there's more! Add a volatile mix of baby boomers, Gen X-ers and Millennials, all approaching work with their own values and style. Do battle in a hyper marketplace in which new competitors can emerge overnight from a country halfway around the world or from a previously unknown entrepreneur's kitchen table. Toss in a tsunami of government regulations and a never-ending threat of lawsuits. And if your stress level isn't already off the charts, consider increasingly complex technology that makes you long for the days when you used to tease your parents about the blinking 12:00 on their VCR. If you pay attention to the business and financial news, you can reasonably ask whether our organizations have become unmanageable—too big and too complex to weather this storm.

No wonder we aren't having fun. And there are some doom-and-gloomers arguing that it may not get back to "normal" before the Octomom's brood is ready for middle school. Or college. Sure we'll recover, but not without fundamental changes to our economy. And to ourselves. Think of it all as the "new" normal.

Maybe you think we're exaggerating—that the picture for bosses isn't as bad as we've painted it to be, that organizations are inherently manageable, that what worked before will continue working. We would respectfully disagree. Just as your old investment strategy tanked—leaving you with only a fraction of your previous investments—you've also got to be prepared to let go of outdated approaches to management. The old rules, and leadership style, just won't cut it any longer.

Which brings us to the most honest e-mail we've ever received from a boss. Given that we've personally responded to more than 50,000 e-mails from bosses and employees, that's really saying something. "I've been a supervisor at a variety of Fortune 500 companies," he wrote. "In my opinion, I wouldn't want to work for me." Beyond being one of the most honest people ever, he raises the difficult question we all need to ask ourselves: Do we get results because of our leadership style, or in spite of it?

Take the media's descriptions of our financial meltdown. First they called it a subprime crisis, then a credit crisis, next a financial crisis. Somehow, they never called it what it really was: a leadership crisis. Until we focus on the thinking that got us in trouble (yes, we're talking to all you monogrammed-shirt-wearing MBAs out there), we're all part of the problem. U.S. Army General Eric Shinseki summed it up best: "If you don't like change, you're going to like irrelevance even less."

We've coined a name for this new era in business. Heck, we're authors, speakers, and consultants. What did you expect us to do? Welcome to the "Humble Pie" era, in which all managers and leaders need to take a step back and accept that we're all tarnished by recent business history. We've all acquired bad habits, elevated assumptions, an infatuation with our insight, and the unwavering belief that we'd built an escalator that only went up.

Even though this book is called a "survival guide," we believe that organizations can go beyond survival and actually thrive. But only if we all focus on repairing the key building block in every organization: the boss-employee relationship. That relationship is broken, and yet it is still not finding a top slot (or even a medium slot) on our daily to-do list. It should.

Really? With everything complicating business today we want you to focus on the boss/subordinate relationship? Yes, because rebuilding any shattered structure must start with the foundation—the core element—and slowly work its way to the top.

Business guru Peter Drucker said it best: “So much of what we call management consists of making it difficult for people to work.” What makes it so difficult? Bosses struggle to listen, employees struggle to speak up, and both sides have precious little empathy for the other.

We believe that the rift between most bosses and their employees is getting worse, not better. And this has massive consequences for every organization and each and every one of us. We’re not suggesting that work become a never-ending coffee klatch, that we all need to hug more often, or that anyone should sing “Kumbaya”—ever!

Perhaps you remember a famous scene from a *Pink Panther* movie. A guy is standing on a street corner next to a dog. Inspector Clouseau walks up and asks the man if his dog bites. The man says no. Clouseau bends over to pet the dog. The dog bites him. Clouseau gets upset and yells at the man, who turns to him and says, “But it’s not my dog.”

Like Clouseau, we can’t become better leaders until we ask the right questions, about our organizations, our people, but mostly about ourselves. Whether you read this book from cover to cover or use it as a reference guide when a crisis presents itself, our goal is simple: to give you a new approach to solving your top problems at work. That’s a tall order, but that’s why we’ll start off with an overview of how to turn things around. We call it the Forgotten Four.

THE FORGOTTEN FOUR

Before we tell you how to become a better boss, let’s explore the opposite end of the spectrum: how to be a really lousy leader. Jack Zenger and Joseph Folkman examined 11,000 360-degree evaluation forms of executives (*Harvard Business Review*, June 2009). They compared the top 10 percent to the bottom 10 percent and found the following traits distinguished the worst managers. They

- Lack energy and enthusiasm
- Accept their own mediocre performance
- Lack clear vision and direction
- Have poor judgment
- Don’t collaborate
- Don’t walk their talk
- Resist new ideas
- Don’t learn from mistakes
- Lack interpersonal skills

- Fail to develop others

Somehow, we doubt we'll see any of the bosses in the bottom 10 on the cover of *BusinessWeek* anytime soon.

But there's hope for the rest of us. After reviewing many studies—and our own inbox—we determined that there are four primary ways to escape this dungeon and become an effective leader. We call them the Forgotten Four:

- Fairness
- Flexibility
- Leverage
- Empathy

For each of these four areas, we'll outline three strategies to develop your skills, including one strategy for each that you can implement immediately. Let's start with three strategies for Fairness.

FAIRNESS

Part 1: Multitasking?

We all know that multitasking is a requirement today. We're all trying to get so much done that who has the luxury of doing just one thing at a time? But let's look at it another way. If we were to tell you that 2007 studies from Microsoft and Oxford University showed that when we multitask we double our mistakes *and* the length of time it takes to do an assignment, would that change your view of multitasking? Looking at it that way, who can afford to multitask with our most important assignments?

It goes even deeper than that. Brain research shows that our brain is capable of doing amazing calculations, but only sequentially. It can't do two tasks at the same time. Don't believe us? Check out John Medina's book *Brain Rules*.

Beyond that, multitasking is rude and unfair. Yet we do it all the time, for example, when using our PDAs while an employee is sitting across the desk from us. As a manager pointed out in one of our seminars, we routinely do things to the people who report to us that we'd never do to a customer.

We all need to take the *multi* out of tasking and to demand the same of others. Single-task our most important work: what a concept.

Strategy: Single Task.

Part 2: Accountability and Authority?

Remember when you were an employee and you were given accountability for getting a job done but no authority? Frustration doesn't begin to capture that feeling. Yet, many of us do that consistently to our people. A better alternative is the greatest management philosophy that no one has ever heard of: the Waterline Principle.

Embraced by W. L. Gore and Associates (the folks who make Gore-Tex), the idea is simple. Your organization is like a boat. If it is damaged above the waterline, the boat will still float. If it is damaged below the waterline, well, you know what happened to the *Titanic*. The Waterline Principle states that everyone in an organization needs to know where the waterline is. When the challenge is above the waterline, employees can make their own decisions, learning and growing in the process. When it is below it, others must be called in before any decisions can be made.

Here's another real-world example: At Ritz-Carlton Hotels, every employee can spend as much as $2,000 to solve a customer's problem. There's no need to get approval from a supervisor; anyone—starting with housekeeping staff and custodians—can take action to make a dissatisfied guest a satisfied one. Ritz-Carlton's people know where the waterline is for their company. Do your people know where your waterline is?

Why should you care? Well, if your people don't know where the waterline is, they either see every problem as above the waterline (and just tell the orchestra to play louder so no one will notice), or they treat every problem as if it's a below-the-waterline crisis—and run to you to give the order to lower the lifeboats.

Strategy: Establish the Waterline.

Part 3: Tasks?

How do you begin each day? Checking your e-mails, text messages, and voice mail? Join the club.

Which means we often notice that it's 2 P.M. and we haven't done anything actually important because we've been putting out fires. That's why it's so important to distinguish between the "urgent" and the "important." We're not suggesting you spend an hour contemplating your navel; just start each day with a few minutes reviewing your goals. You'll be amazed at how productive your day can be when you focus on the big-picture stuff from the start.

Which reminds us of the Gravina Island Bridge. Doesn't ring a bell? You might recognize the name it's more commonly known by, "the Bridge to Nowhere." The bridge was intended to replace the ferry that connects the town of Ketchikan, Alaska, to the Ketchikan International Airport and 50 residents—for the bargain price of only $398 million. Planned to be nearly as long as the Golden Gate Bridge, it was eventually stricken from the budget as a classic case of pork-barrel politics.

How many Bridges to Nowhere are currently on your to-do list? Start a regular not-to-do list of things that you, and your team, shouldn't do at all, so you can focus your efforts on the important stuff.

Strategy: Not To-Do List. (Why wait? This strategy can be implemented immediately.)

FLEXIBILITY

Part 1: Feedback?

Ken Olsen was the founder and CEO of Digital Equipment Corporation, one of the leading computer companies in the early days of the industry. In 1977 he said in a presentation to the World Future Society: “There is no reason for any individual to have a computer in his home.”

We all say dumb things occasionally. But for a top executive at a top computer company to say this in 1977—when there were already thousands of hobbyists with computers in their homes—shows the danger of being out of touch. His company missed a huge opportunity and eventually had to merge with another company.

Unfortunately, many of us are more like Mr. Olsen than we’d like to admit. We see feedback as something that is good for the gander, but not the goose. But there is an even better way to foster a lively dialogue at work. Marshall Goldsmith, CEO coach, has coined the term *feed-forward*. Rather than just beating people up for past sins, he suggests focusing on the type of behavior you’d like to see in the future and let your employees do the same for you.

Strategy: Feed-Forward.

Part 2: Leadership Style?

Daniel Goleman did a fascinating study on leadership for the *Harvard Business Review*. He wanted to discover the most successful leadership style. First he identified six different styles using the words a leader would use practicing that style.

What was the most effective leadership style? “Let’s work on this together.” But Goleman didn’t stop there. He discovered that the most successful leaders don’t try to form committees to tackle every workplace problem. The best leaders have a full tool kit and take out the right leadership style based on the circumstance.

Which reminds us of the famous phrase, “We’re going to be in the Hudson.” Chesley Sullenberger, the US Airways captain who managed to crash-land his plane into New York’s Hudson River with no fatalities, reminded us that complete engine failure shortly after takeoff is no time to call a meeting.

Strategy: Leadership Styles.

Part 3: Bad News?

Movie mogul Samuel Goldwyn summed up the way many of us view our employees: “I don’t want any yes-men around me. I want people to tell me the truth, even if it costs them their jobs.”

Goldwyn could have learned a few things about human nature from Winston Churchill. Churchill knew that people instinctively filter information when they are dealing with the person signing their paychecks. That’s why when he created the Central Statistical Office to collect data during World War II, he did not have it report directly to him. That way, the data wouldn’t be skewed to what the boss wanted to hear.

How do you ensure that the information you're getting is truthful? It won't just happen; you have to lay the groundwork. Our technique is called Cassandra's Toss. Before each meeting, participants wad up a piece of paper and put it in front of them. If anyone, including the boss, says something that you disagree with, you toss the paper at them. This turns disagreement and dissent into something acceptable and, dare we say, entertaining.

Strategy: Cassandra's Toss. (Again, why wait? This strategy can be implemented immediately.)

LEVERAGE

Part 1, Control?

According to an engineer quoted in the *Wall Street Journal,* up to 90 percent of thermostats in corporations aren't connected to anything. They even have a name for it: "an illusion of control." You just can't make this stuff up.

That's how many of us manage. Instead of giving people the tools to do their jobs, we give them an illusion of control—to our own, and our organizations', detriment. Which brings us to Jack Stack's *The Great Game of Business*. This is a book about how a management team took over a factory that was hemorrhaging money. The new leadership team made two commitments. First, to teach finance to every employee. Second, to give each employee a say in how the business was run. Radical, yes. But there is also an inescapable logic to this approach.

When one employee learned how much a particular piece of steel cost, for example, instead of using it to make one stamping, he figured out how to get two stampings from the one piece. Employees can dramatically add to the bottom line, but only when they have the insight, tools, and permission to do so. That's why we believe employees should know the key metrics for their jobs, so they can monitor and improve their own performance.

Strategy: Their Key Metrics.

Part 2: Hiring?

When hiring new staff, organizations tend to be very concerned about whether a prospective employee will fit in with the rest of the team. We believe there is an equally important quality to consider: the ability to speak up. New employees need to be able to disagree appropriately with the status quo so the organization can adapt to changing times.

Consider the battle between Coke and Pepsi. For many years Coke had its iconic bottle. Pepsi spent a long time trying to create its own distinctive bottle. Eventually, someone realized that the key issue wasn't the shape of the bottle, but its size: Pepsi introduced the two-liter bottle and changed the rules of the game.

So, the key question to consider when hiring: Would your new employee continue to try to create a new shape for the Pepsi bottle, or would she get past that kind of thinking and suggest a different size bottle? After all, isn't that the kind of new energy and insight that your organization really needs? If you come across a potential hire who appropriately challenges the way you're doing business, make an offer.

Strategy: Hire for New Thinking.

Part 3: Innovation?

Today, innovation seems to be the answer, no matter what the question. But we all have to do battle with the Corporate Immune System—the tendency to embrace the status quo. Unfortunately, many of us boost the Corporate Immune System's idea-killing tendencies whenever an employee makes a suggestion and we respond, "No, because . . ." "We tried it before. . . ." "We couldn't raise the capital . . ." We've all said these things.

Look at this from your employees' point of view. What if every time you suggested a new idea, the first thing you heard was "No"? That's why we prefer a more positive approach: "Yes, if . . ." Anything is possible if all the *ifs* can be satisfied. For example, consider all the *ifs* that NASA engineers had to resolve before astronauts could land on the moon. Initially, the idea was rejected as impossible. But then they went through the *ifs*—*if* we can launch a rocket that carries astronauts, *if* we can get the rocket out of Earth's atmosphere, *if* we can get the rocket to the moon, *if* we can get the rocket in orbit around the moon, and so on—and then resolved them one at a time. Sure, it takes a bit more work on your end to come up with what follows the *if,* but we believe this is a small investment in time and energy that will pay off for you many times over. Another famous "yes, if" thinker, Walt Disney, famously observed, "It's kind of fun to do the impossible."

One employee wrote to us saying that he felt his company had focused a lot of attention on the people who'd quit and left. He thought it would be wise to focus instead on the people who quit and stay. Unfortunately, we believe that some of these people who quit and stay didn't get there on their own—they were "no, becaused" there.

Strategy: "Yes, If . . . " (This is another strategy that can be implemented immediately.)

EMPATHY

Part 1: Energy?

$E = mc^2$. Recognize that formula? It's Einstein's way to calculate energy. Ken Blanchard tweaked it to focus on how to increase energy inside an organization. His equation is: Energy equals Mission times Cash times Congratulations. We agree.

People want to feel like they're making a contribution, that they're being paid fairly, and that their work is appreciated. It's easy to forget when you are trying to tap-dance through the minefield of your average day.

There is another key consideration when it comes to energy at work. It's a quote from motivational speaker Keith Harrell: “A dead battery can’t charge a dead battery.” If we want our people to bring more energy to work, we first need to take a look in the mirror to see how much energy we bring to work each day.

Strategy: $E = mc^2$.

Part 2: Results?

We once interviewed Jim Moore, director of Executive Education for Sun Microsystems. We asked him what it was like to be responsible for the educational advancement of his bosses. He took out a pen and drew two circles on a cocktail napkin (now you’ve learned our favorite place to conduct interviews), one inside the other. He pointed to the inside circle and said, “This is their comfort zone. If I don’t get them out of here they don’t grow and they don’t learn.” We asked about the second circle. “That’s their limits. If I take them outside of here I become the *former* director of Executive Education.”

Most of us talk about getting results out of our people, but we have no idea where their comfort zone or limits are at all. See the problem?

It’s not unlike a tin can. Really. The tin can was revolutionary in 1810. It allowed sailors to undertake long voyages without getting scurvy, because they could pack fruits and other important foods. There was only one problem. Do you know what year the can opener was invented? In 1858! For 48 years the only way to get the food out of the tin can was to hit it with a hammer and chisel, and spray much of the contents on the wall and floor. Are we any more sophisticated when it comes to getting the most out of our people?

Strategy: Comfort Zone and Limits.

Part 3: Retaining Top Talent?

Don’t think it’s that important to retain your top talent? We have four words for you: Circuit “51 Cent” City. This once prosperous electronics chain went out of business exactly 20 months after it decided to fire its most expensive (read: most experienced) staff. Anyone who earned more than 51 cents over the company average was let go—3,400 people in all.

You already know the moral to this story. Customers deserted the chain in droves when they figured out that Circuit City salespeople could no longer explain things well. Top talent matters.

Circuit City self-destructed, but the rest of us have the benefit of an early-warning system. We call it the Pronoun Test, and we learned it from former Secretary of Labor Robert Reich. Just listen to your people talk about the company. Do they use *us* and *we* or *they* and *them*? If you overhear key staffers using *they* and *them*, you need to reconnect with them ASAP.

The best way we know comes from business consultant and author Bev Kaye. She says that leaders should ask their most valuable people, “What would it take to keep you working here?” After all, if they’re that important, do you really want to let