



PEOPLE-ORIENTED MANAGEMENT STYLE

SOME KEYS ON PEOPLE MANAGEMENT

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The job of managing people is one of business leaders' most difficult and complex tasks. How has this discipline evolved over the past half-century? And how can a company become people-oriented?

"PEOPLE DO NOT DEPEND ON THEIR MANAGERS, BUT RATHER MANAGERS DEPEND ON THEM."

In 1965, Profs. Josep Faus and José M. Rodríguez hired me as a research assistant in IESE's human resources department. Since then, I have worked in two other departments before returning to my first department, which is now called Managing People in Organizations. During my absence, something occurred to the department transforming its approach and content: Professor of Accountancy and Control, Juan A. Pérez López, came on board. He turned out to be much more than just a professor. Simply put, he was an "educator" in the fullest sense of the word. I had the chance to first learn and then to work with him for many years, and I take this opportunity to express my most heartfelt gratitude for everything he did for IESE, and specifically for what I learned from him.

In 1977 I moved to the new Department of Social and Economic Analysis for Management that included Profs. Ocariz, Argandoña, Toribio and Domínguez del Brío. Our aim was to respond to the numerous economic, social, political and labour challenges arising during the period of transition to democracy in Spain. Then in 1985, Dean Carlos Cavallé asked me to create a new department from scratch, the Department of Personnel Management and Labor Relations. Over time, this department was reinforced by Profs. Carlos Sánchez Runde and Javier Quintanilla.

Throughout my career at IESE, I have reflected on the subject of managing people. Almost without realizing it, I ended up by identifying so much myself with this exciting field that it forms part of who I am now. Hereby, I briefly present some of the ideas that I consider the most relevant ones.

There is almost an universal agreement that companies are made up of a team of people: some provide the business idea, others the capital, others the management. Everyone contributes to the teamwork spirit with enthusiasm and a desire to provide society with worthwhile products or services. During this process, these same individuals seek to earn a living (material realm), and to do a job fitting in with their abilities and enabling them to develop (professional realm) and feel truly useful and valuable (values realm). Thus the individual constitutes the core of the business activity and its most valuable capital/asset.

Is it really so difficult to understand this palpable reality? Conceptually not, but when putting this into practice, we can see it is complicated. Some internal mechanism fails when putting these ideas into practice. Why? The causes may be related to the intrinsic difficulty of the manager's job, a lack of personal consistency, a lack of leadership, excessive pressure from the balance sheet or the absence of a real sensitivity to human issues.

KNOWING HOW TO LEAD

Managers are often the least prepared in terms of leadership skills. All too often, the managers's technical ability or

the need to reward, promote or compensate are given more weight than their real ability to lead people. It is easier to think that people should just act as they are asked without acknowledging that people have free will and do not respond like robots. The key lies in the "direct boss" being aware that you have to win people's allegiance. Only then they will open themselves up to others and act in line with this conviction.

"Leading," said the Spanish philosopher José Ortega y Gasset, "is not simply convincing or simply forcing. Rather it is a delicate mixture of both." In our jargon, we could say that it is a synthesis of authority and power, a balance between the informal and the formal aspect, between what is spontaneously earned and what is formally granted. Underestimating either of these two facets will lead sooner or later to failure.

There are some classic cases studies that we teach at IESE's programs illustrating this. For example, "Tony Roderick," who considered himself a brilliant executive, was a disaster as a person and as a manager. To his surprise he was incapable of empowering others and instead imposed his standards. In short, he just thought about himself and was an unknown entity to his own family as well. He realized that he spent his days repeating a mantra: "love yourself with all your heart and put others at your service." Or the case of "Bob Knowlton," which reveals the weakness and insecurity of a technician when he has to lead a group of people. This insecurity creates phantoms that he is not only unable to control but even that he amplifies until he "beats a hasty retreat," brimming with complexes and transferring them to his team.

Executives can only transmit what they are as a person to the people managed. Self-assurance tempered with realism and trust in others tempered with due caution are the characteristics that should stand out in a manager. Reflexive strength enables one to know himself, while transitive strength makes possible to know others and what you can ask and demand of them. It is a blend of realism and idealism, of objectivity and magnanimity. "Keep your nose to the grindstone but reach for the stars." Objectivity in what we are and magnanimity about what we can become. Talking about the importance of trust as the indispensable personality trait of a leader, U.S. General Norman Schwarzkopf said: "Commanding is a vigorous mix between strategy and trust. If you have to just keep one of them, give up strategy." Holding on too tightly must give way to trust others, which is a necessary step for delegating and a surefire source of success and learning. Control without trust is not efficient.

We forget that there are factors that the manager cannot empower. What the direct supervisor doesn't do, nobody will do for him. He is the only one who is able to listen to and motivate the staff. To do this, first of all he has to avoid introspection and open up to others, respecting and valuing

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people so that they can feel being a crucial part of the mission. We get this point when we consider that people do not depend on their manager, but rather managers depend on them. With this conviction, the management's perspective changes. Training, professional development and motivation rise to the top of the manager's list of concerns. The better the team and the more involved it is, the easier it will be to reach goals.

THE HUMAN RESOURCES DEPARTMENT

Managers cannot outsource this responsibility to the "Human Resources" (HR) department. It is often thought that when the company has a strong HR department, staff issues are dealt with appropriately. It seems more like the managers' desire to offload an uncomfortable responsibility. However, a people-centered management style needs support, a framework for action and policies that give consistency to managers' actions and helps them successfully perform their jobs. The opposite would mean falling into chaos and incessant arbitrariness. This, then, is where the HR department should emerge and act as the administrator, without taking over the managers' responsibilities.

All the media hubris around the human resources department, or whatever it is called, is devoted to promoting trendy techniques, invented by experts and consultants in need of new business. The human resources department must be part of the company and its mission, and it must simultaneously guide and give "human" support to business decisions. As long as they help and complement the key aspects of the managerial mission, techniques are welcome, as long as one is aware that they are not a cure-all for resolving problems.

It is essential that the right atmosphere is created from the top of the company downward, an atmosphere which enhances the job of managing people and encourages the "human factor" in the company to truly be taken seriously. Short-term needs, a lack of mastery and balance among management and a poor use of the HR department will undermine this opportunity time and time again. In these cases, people will be dispensed with according to the profit-and-loss statement, training plans by the need to cut costs, with the risk of losing years of knowledge in a matter of minutes. In short, this is when the company's "culture" is truly put to the test, not in times of economic windfalls but when problems accumulate and management has to deal with conflicts.

CLOSING REFLECTIONS

A final note: a people-centered management style is much harder to achieve than a task-based style. It is easy to fall into the trap of thinking that concern for people leads to a soft style that tries to please everyone so that the positive atmosphere is

not destroyed, that remember us the former human relations approach. Nothing could be further from the truth. Listening to people requires a major effort that very few people manage to do successfully; getting to know them, motivating them and getting them to give their all is a hard job, and often quite an uncomfortable one. Saying things at the right time, respectfully but clearly, is much more difficult than letting yourself be carried by events. And, to top things off, practicing what you preach requires constant discipline and effort that tests maturity and personal balance. In short, the job of managing people in companies is unquestionably the most difficult and complex of all the tasks that the manager must perform.

Through our general management programs, participants ponder each of these issues. They do not often expect to gain such profound insight into managing people. They instead come in seeking to expand their technical knowledge and learn different ways to boost their profit-and-loss statement. They often express their surprise and gratitude for how helpful this knowledge is from a practical standpoint, both professionally and personally. This contribution is one of the most characteristic features of IESE and will remain so in the future.