



# Tools & Techniques

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## Management In Real Life

by Kevin Herring

“People are our greatest assets” is one of the most commonly seen statements in lobbies, board rooms, and recruiting materials. But what does it really mean to be a “greatest asset?”

When a leadership group makes the statement that people are their greatest assets, they are, in effect, saying that the company’s people are indispensable to the success of the business. The assumption of company employees follows that in difficult economic times, they will be preserved because the organization would not be able to continue without them.

Considering this perspective, let me share with you something reported by CNBC relating to the issue. Charles Schwab, the discount brokerage firm, announced a 15% drop in trading activity. Surprisingly, Schwab’s response failed to include any mention of layoffs. Instead, the leadership group announced that senior vice-presidents would take a 10% cut in salary, executive vice presidents, 20%, and Charles Schwab himself, 50%. Following the announcement, Schwab stock dropped a mere 1%, signaling approval from stockholders.

Based on these announcements, it appears that core employees are Charles Schwab’s greatest assets. Let’s hope that other business leaders who say that employees are their company’s greatest assets take notice of Charles Schwab and how he manages his company’s assets.∞

## Are You a Business Person or a Staff Person?

We usually think of staff support groups, i.e. information systems, human resource management, purchasing, engineering, and accounting, as specialists who have specific skills to help the business perform those particular functions well. We define those functions for each group by our experience with them, or from our own beliefs about what they are capable of doing. Likewise, staff people often see themselves in the same light - only capable of performing tasks related to their particular set of skills.

The challenge that staff groups are faced with is that managers, as well as staff people, see IS as helpful with IS issues and HR people as helpful with HR issues, etc. What is missed is the opportunity to use one’s expertise to solve real business problems - that far more can be accomplished if *business*

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## Necessary Elements for Change

Change is likely the most discussed issue in training programs, human resource practices, and organization development interventions. Yet most practitioners struggle with creating the conditions for change to occur. Here are three conditions we believe are essential for meaningful and lasting change to occur under any circumstances on the individual or organizational level:

- 1) **Cognizance** - those impacted must be aware of what needs to change and what is required in the process. Without an understanding of the desired state, internal drive will never materialize. Change that occurs without cognizance is manipulative, short term, and creates damaging outcomes.
- 2) **Competence** - individuals must have the requisite knowledge, skills, and abilities to reach the desired state. They must be capable of overcoming barriers and sustaining outcomes. Although many competence issues can be addressed prior to embarking on a transformation, some competency needs will not become apparent until people are challenged with new state requirements that contradict traditional expectations.
- 3) **Cause** - a reason to change is necessary to engage people’s energy toward the desired outcome. Effective causes, or reasons, are not always related to monetary incentives. In fact, research consistently shows internal factors to be the most powerful for personal motivation to change.

All three components are necessary to create and sustain successful change. A missing component will prevent successful change from occurring.

## Staff Group Profile

Staff groups are increasingly being asked to show that what they provide to the business adds value. In response to this challenge, many staff groups have tried to reinvent themselves to become more responsive to the core business.

A brief online survey has been developed to help staff groups who are wrestling with the challenge to determine their current position in the organization in relation to where they need to be to help the business. This survey is called "The Current Position and Future Place of Staff Groups"

There is no charge to take the survey online as an individual. When taking the survey, participants will receive a score that will place them in one of four categories: "The Staff Entrepreneur", "The Change Agent", "The Reluctant Consultant", or "The Committed Traditionalist." The profile received from the survey provides a description of the participants' experience at work along with a list of action items to move the group from the current state to the desired future state. Comparisons can also be made to other survey participants.

To access the survey go to the internet and click or type the following hyperlink: <http://www.sourcesdirectaction.net/HS-Survey/login.htm> ∞

## Ascent Web Site

Ascent Management Consulting will soon have a presence on the internet. The web site will contain management news, articles from the Association for Quality & Participation (AQP), the Management In Real Life column (published monthly in many SHRM newsletters), archives of the Tools & Techniques newsletter, and many more useful bits of information. The address of our web site will be [www.ascentmanagement.com](http://www.ascentmanagement.com). We will send an announcement as soon as it becomes available.∞

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people who have expertise (note the shift in emphasis) in HR or IS use that expertise to solve specific business problems whether or not the problem would traditionally be classified as "HR" or "IS."

A question frequently asked by Jamie Showkeir of Henning-Showkeir & Associates is, "Do you see yourself as an HR, IS, or finance person who happens to work at XYZ Company, or do you see yourself as an XYZ Company business person who happens to have expertise in HR, IS, or finance?" The difference is significant in that HR people, for example, who happen to work at XYZ Company, are looking for opportunities to do training or to improve hiring and other processes. Usually when an HR person asks operations what problems they are wrestling with, operations first asks what HR can do, then responds by telling HR the training or HR needs they think they have. However, real business issues can be addressed when operations tells HR what real generic business issues are getting in the way of success. Then HR can look to see if they have expertise that can be applied to solving the problem.

When management and staff people see themselves and others as having compartmentalized sets of skills that only apply to stereotypically related problems, it prevents staff groups from creating the dramatically improved business results that are possible with the expertise available.∞

## Management Support or "What's the Hold-Up?"

In many transformation initiatives, core employees see management as needing to change in order for them to be able to change. Likewise, senior management sees change processes as being necessary for the masses, not for them. Nevertheless, experience has taught us that it is typically much easier to enable change with core workers than with senior managers.

We believe that this is due to several factors including the struggle to give up organizational power, the confidence gained when rewarded by promotions, and fear of failure by venturing into the less familiar. Addressing these issues goes a long way in supporting change.

## Write To Us:

If you have questions or experiences you would like to share please feel free to contact us by e-mail, snail mail, or telephone using the information provided in the box to the right. Some material may be used in feature articles or in Management In Real Life. Names of companies and individuals will be omitted or changed in the text of all material published. Occasionally we may publish responses to questions from our readers which we believe may be relevant to many businesses. In such cases, our policy of confidentiality will be effective as stated above.

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