

Management In Real Life

by Kevin Herring

In my growing up years I participated in a variety of sports. I remember how my coaches taught me not only the fundamental skills of the game, but also an understanding of the rules of play and the strategies employed in various game situations. I understood how we stacked up against our competition at every point of the game. I celebrated successes with my teammates whether I was on the field or on the bench. In baseball, I learned when to swing the bat hard and when to bunt. If we were behind in runs I knew I had to pull out a little extra something to throw a runner out at first or steal a base. Knowing the game overall and the strategies required in the moment like how to field the ball, when to steal a base, and how to swing the bat helped me make personal decisions to help win the game.

Yet, in business, unlike sports, we often operate as though employees are incapable of understanding, or acting on, information relevant to the competition and business tactics in the marketplace. We contain and protect productivity, cost, and quality data reserving this information for managers only. When business is slow we tell our employees that we have a “cash flow problem” instead of telling it like it is. Can you imagine a baseball player, instead of looking at a scoreboard that shows the team down by 6 runs, being told the team has a ‘point spread’ problem?

Now sports fans, try to tell a manager that he or she should consider sharing company performance information with core employees and see what happens. What kind of response do you get? The most common response I have heard is, “They wouldn’t know what to do with it.” When you provide examples of organizations that already share such information you get, “That might work for them in their (insert business, industry, or company size)....” The rest of the sentence is understood to mean “but it wouldn’t work here.”

Well here are a couple of examples of organizations that do educate employees in the business. Jack Stack, CEO of Springfield Remanufacturing, is known for his philosophy of open book management in a company where he tries to create a business person out of every employee. He reasons that employees who understand the business and know the score can make better decisions about how to make the business profitable. If business is bad employees are keenly aware and can make personal decisions about how to pull out that “little extra something” to save the day. Springfield Remanufacturing employees have used what they have been taught to deal with business problems effectively for many years.

Jack once told me that anyone can learn to be a business person and that there is no competitive advantage to protecting company performance information. He explained that if your business is publicly traded most everything is open to the public anyway. Analysts track output and sales orders, and financial results are reported quarterly. I didn’t think to ask him if he ever participated in sports growing up.

Jack Stack isn’t the only executive who shares with employees the company’s score in the marketplace. A friend of mine who manages a small technology company recently discussed with me his relatively new practice of distributing monthly performance information to all employees. He helps employees understand what the performance numbers mean in terms of critical measures and success factors. Recently, one of the company’s owners visited the plant and asked my friend about the numbers from the previous month. The owner seemed quite perplexed and astonished as some of the core workers jumped into the conversation and began to explain what the numbers represented in relation to marketplace demands and how the organization needed to respond. In a recessionary economy, this business has been able to avert a major threat to survival and turn a profit consistently month after

month.

I think it's somewhat humorous that an owner would be surprised that his players knew the score and how to play the game of business. No doubt he would have a different opinion if his business was a professional sports team. It's food for thought, anyway.

Anyone for peanuts..., popcorn...?

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At Ascent we believe that organizations are only as successful as the systems that engage the individuals who work there. Ascent Management Consulting is committed to creating management, culture, organization, and governance systems that enable personal fulfillment and organization effectiveness.

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