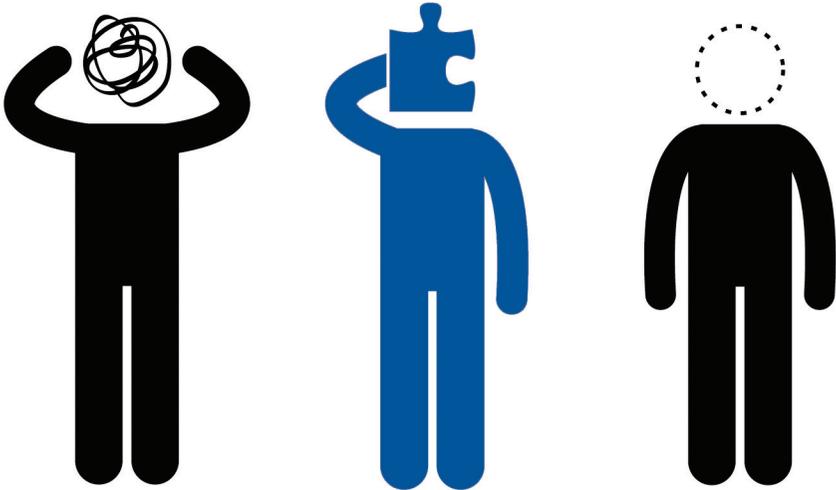


# MANAGING Incompetence

An Innovative Approach for Dealing With People



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## Personnel Director or People Manager?

*“I love humanity, but people annoy me.”*

*(Charles M. Schulz)*

For decades, human capital has been gaining priority in corporate speeches. We are used to hearing about motivation, leadership styles, and business philosophy. The first thing you find out about a company through its website is its vision and values. There are entire projects and departments devoted exclusively to organizational development, remuneration policies, and cultural management. However, these human resource systems, implemented to increase employee engagement and satisfaction, often miss their target. We implement sophisticated communication programs while still failing to listen; we invest in a complex assessment system, yet employees still feel their work is unappreciated; we audit training yet can never find the person with the right skills when we need him.

The proliferation of programs to develop human resources sometimes creates a false commitment to employees. Documents are filled out, meetings held, procedures followed, and policies created, yet they barely touch on the difficulties people undergo on a daily basis. New

training is offered, which does not address daily inefficiencies: Joe's clutter, Jane's tardiness, or that other guy who is shy or doesn't know how to plan ahead.

**Reality is stranger than fiction.** In a project conducted by the world's largest consulting firm for a large financial institution, they were debating whether the level curve slope within the competition should be interpreted as a linear or quadratic function. Meanwhile, the talented development director fell victim to harassment from a co-worker, and shortly after leaving the organization, took it to court.

Programs quickly lose sight of their original intentions. They fail to fulfill their objectives and become just another chore to be performed in the spirit of compliance. I perform an evaluation on you, but I will not tell you what I really think of you. I attend the course, but I will not apply what I learn. I comply with the procedure but fail to meet the target. We obtain a certificate of quality; however, the actual quality has not changed. Objective programs are implemented that are overly formal and sophisticated, and are unrelated to our work and the goals we pursue every day. It takes a lot of effort to revise goals. Yet it is urgent to revisit them frequently, revitalize our people-management procedures, and perhaps liquidate those that have lost their relevance.

When I studied for my MBA, a friend declared that all people-management problems supposedly stem from issues with motivation or communication. He called it "MOCO"—an amalgam of the words *motivation* and *communication*. But the fact is that motivation and communication are rarely the cause of such problems. Rather, their root causes tend to be very specific and concrete: lack of training, lack of experience, or lack of resources.

The extensive use of abstract terms and concepts used in the business world today prevent proper diagnosis of people-management problems, and hinder critical thinking. For example, in the business

courses I teach, if a theoretical problem is considered to be due to lack of communication, I ask my students, “Who needs to communicate with whom? What will they communicate about, how, when, and where?” Usually they have trouble critically analyzing the scenario and coming up with the right answers.

## **On Being Specific**

What is not specified is not performed. This is a catchphrase for one of my friends, Juan Antonio González Lobato, and it could well be this book’s catchphrase. Because managing people requires being specific. Being specific on what you want done, how to begin it, when to finish it.

We are immersed in the big-business model, where people problems are met with statistics, programs, and strategies. But we should live by the small-business model, where people have faces and eyes, and they have a first and last name. Being big or small is not so much a question of size as one of mentality. Many small businesses are managed as if they were big, and some big ones lead their people as though they were small.

People can’t be managed by concepts, reports, or procedures; they are managed by relationships. Good people management is a matter of specifics, of careful attention to detail; it requires listening, sympathizing, and making simple efforts to get to know one another. The impact of informal relationships on formal dynamics never ceases to amaze me. Meetings with someone with whom you’ve shared coffee and personal conversation often have a much better outcome than those with someone to whom you’ve hardly spoken. Companies, both large and small, will continue to manage their people poorly until they learn to reach out to them as if they were a small business. Only then will they integrate staff, have less turnover, and achieve success with less effort.

People's attitudes at work are formed by small virtues and lots of pettiness. Vanity ruins many achievements, and it's hard to empathize with a vain manager. On the positive side, we see that sympathy, though not included in the job description, motivates workers to help each other. Basically, we all seek friendliness at work, and our behavior changes directions if we are unable to find it.

**Reality always outdoes fiction.** Antonio is an exemplary employee at a law firm. He is a quiet, discreet, tireless worker. He never complains about anything. Recently, another employee of the same rank was promoted. And Antonio announces his intention to leave the company. At first, it seems that he's acting out of envy, yet he's not ambitious. During the exit interview, the human resources manager discovers the problem is that he needed a friend in management, someone he could trust. The issue was not the missed promotion, but that he was not considered. Management avoids making this explanation and labels Antonio as greedy.

Today it seems that a manager can run a hotel the same way he can run a dry-cleaning chain. Management is taught as if it were disconnected from reality, as if all companies were equal because they can all apply the same accounting and human-resource development principles. That is not the case. Managers are not as interchangeable as they would like to believe. Each business is very specific and only by knowing it by heart can you make it work well. As an example, Warren Buffet never invests in any business he doesn't fully understand. He never invests in technology because he's not familiar with it.

The definitions of skills, corporate culture, and values don't distinguish between companies and sectors. They all sound alike—and they all sound vague. How can we implement effective human capital programs with such vague guidelines? How can we define specific competencies for specific industries, professions, and roles?

**Reality always outdoes fiction.** Once on a plane, I had to sit behind some human resources executives in their 30s. They were heading to the annual meeting of their multinational company. During takeoff and landing, the flight attendant had to ask for their attention because they kept looking at the PowerPoint presentation they were to give the next day. They were analyzing its 20 core competences. There was nothing flashy: team-building, making things happen, interpersonal skills, and so forth. To those, they had to add other sector-specific things, plus some industry-specific and job-specific skills: over 40 in total. These were all phrased in the same style and seemed perfectly interchangeable. The executives spoke as if they were antique collectors: "Where did you find these skills? They're so cool!" The answer: "From a consulting firm manual and from a food company."

Corporate statements give no clue about the business in question.

What type of business would match the 10 values below?

1. Customer Focus
2. Worker Support
3. Service Culture
4. Teamwork
5. Strict Adherence to Legality
6. Management by Example
7. Good Working Environment
8. Management by Objectives and Motivation by Results
9. Austerity and Prudence
10. Creativity and Simplicity

The values could apply to virtually any company. Can't we be more creative, more specific, and more efficient in creating values? Perhaps, a cosmetics company should strive for aesthetic taste; an audit firm, accuracy; and a knowledge-intensive company, the desire to know.

Perhaps because of generic values and goals, we find it difficult to find the right training to suit specific professional development needs.

Normally, a single course is offered on leadership for both service and industrial companies; the same content is distributed to large firms, small public businesses, family-owned companies, and employees in the audiovisual industry or the furniture industry. As the lone exception, I know of a master's degree in business management in the meat sector.

## **Who Is Responsible for Managing People?**

We must rediscover the personal, nontransferable, and specific responsibility that every line manager has over his human resources. He is the one who knows the work process, the most common errors made, which employee needs to improve in which areas, and who is talented in which areas. He must be well-acquainted with their micro-skills, as well as their bigger goals and aspirations. The person directly responsible for training and motivating an employee is his immediate superior, and not the personnel manager or human resources manager.

I repeat: The people-management role is the responsibility of those people's managers. The human resources department must be a support service for department heads. It has an indirect responsibility that should always lead to direct responsibility, which resides with the heads of the various units. The objectives of the human resources function are the same as the overall business objectives: productivity, performance, financial standing, and so forth. Employee satisfaction is not a direct target of the human resources function.

There are no human-resource problems independent of business problems, or business problems independent of the flesh-and-blood people who perform the work. In business, people and business are inextricably linked.

**People are important in business not because they are people, but because they are the business.**

Within other social institutions, a person has intrinsic value, but an employee has value because, without her, there can be no business. Business is performed by that employee, and losing her ability results in losing business capacity.