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# The Best of the Rest Great Ideas for Managers

## *Section Ten*

Learner Support Handbook

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## Introduction



This section contains nine great theories each of which could have been squeezed into one of the other sections. But I wanted to end with a selection of theories that transcend neat classification. Why? Because management transcends neat classification. For example, there are nine theories of motivation discussed in this book. Does that mean that as a manager you can only motivate staff when you use one of those theories? Of course not. Your personality and style of management, how you talk to people and take account of their needs when planning or managing change all impact on their motivational levels. This section is intended to remind you that the knowledge gained from one theory can often be applied in numerous situations, so don't build arbitrary walls between theories.

The Pareto Principle, which kicks off this section, is a great example of how one theory can be applied in numerous situations and help managers identify where they should concentrate their efforts. Others, such as the Eisenhower principle, will help you identify what tasks you should be doing and which you should either bin or delegate, and some provide insights into your personality and the personalities of those you work with.

There is even a bit on Neuro Linguistic Programming thrown in for good measure. When I told a colleague that I'd reduced NLP theory to 200 words they said I was mad. But I'll leave you to decide. Salvador Dali asked critics not to admire him for the method in his madness but for the madness in his method. When I took on the challenge of reducing great ideas to around 250 words it felt at times like madness, It's impossible to capture everything about NLP or the other great ideas, all I can do is whet your appetite to read more about them.

I hope you enjoy reading this section but don't look for or expect to find a single theme to emerge as you read 'cos there ain't one.

Good luck

## ***Theory Eighty One***

### **The Pareto Principle**

Use Pareto to identify where you need to concentrate your efforts to maximise your results.

The Pareto principle is possibly the single most useful theory that a manager can know about. Why? Because it can be used to reduce significantly a manager's workload and is applicable in a huge range of circumstances.

The principle was devised by the Italian economist Vilfredo Pareto. He first used it to demonstrate that 80% of the wealth in Italy was owned by 20% of the population. Joseph Juran, the quality guru (*see Theory 69*), stumbled across his work and helped to popularise its use.

It was quickly found that the 80/20 split could be applied to a vast array of social and business situations. For example 80% of an organisation's sales are made to 20% of its customers.

This theory of 'the vital few and the trivial many' does not pretend to be a precise measure of any phenomenon. The split may be 70/30 or 90/10. It's a rule of thumb which can be applied to a wide range of questions relating to staff, products, resources, customers and suppliers but the precise split will differ from instance to instance.

## How to Use It

The following are just a few examples of how you might use the Pareto principle.

- 20% of your staff will cause 80% of your staffing problems. Sort out the 20% and leave the others alone.
- 20% of your staff contribute 80% of your productivity/profits/sales etc. Reward them!
- 20% of your customers generate 80% of your sales. Make sure you look after your golden egg laying customers.
- 20% of your debtors owe 80% of debts outstanding. Concentrate collection efforts on these people.
- 80% of complaints originate with 20% of customers. Identify why there is a problem with these particular customers and tackle it (see Section 8). Usually you will be able to resolve the problem but many years ago I simply refused to supply one customer because of his unreasonable demands which meant that we lost time and money on his orders. Customers are usually right but some are not worth the hassle.
- 80% of expenses incurred by the organisation will be in 20% of the budget headings. It is these big cost centres that you need to keep under close observation and where you should look for savings.
- 80% of your income will be earned from 20% of your products (see Theory 60). You need to guard against over-reliance on a small number of products.

## Questions to Ask

- Which three areas can I use this theory on immediately?
- Which 20% of the jobs I do add most value?

## Theory Eighty Two

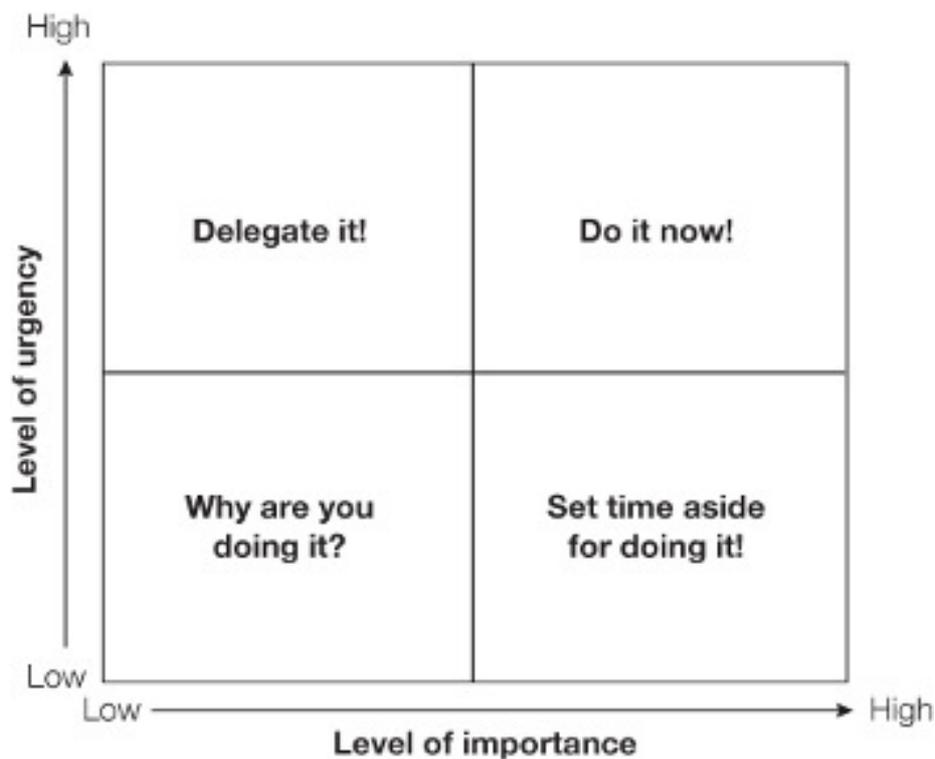
### The Eisenhower Principle

Use to prioritise your workload and manage your time more effectively.

*The Eisenhower principle describes how President Dwight D. Eisenhower organised his workload. Eisenhower's insight was that you should throw away all those to-do lists that you laboriously update each day and instead concentrate on doing what's important to you.*

*By definition, only work that helps you achieve your aims is important. Bearing in mind that he masterminded Operation Overlord (D-Day), he probably knew what he was talking about.*

*One theory suggests that you divide tasks into four groups.*



## How to Use It

- Get rid of your to-do lists. Instead list the work that helps you achieve your aims. This includes keeping your boss satisfied. You also need to keep your manager's boss happy as it is they who will appoint your manager's successor.
- Once you have your list of work allocate it to one of the following four categories.
- Why are you doing this? If it requires action delegate it – if not bin it.
- Delegate it! Don't let someone else's crisis become your urgent problem. By all means help colleagues but make sure that their work is slotted into your priorities. Be assertive. Avoid time thieves. They steal a commodity which once lost you can never recover.
- Set time aside for doing it! The place won't fall apart if you don't do these things now. But don't keep putting them off or else they may come back to bite you.
- Do it now! These are probably the issues that you currently spend most time on. They need to be dealt with quickly and they help you achieve your aims.
- To reduce the number of do-it-now jobs landing on your desk tackle some of the set-aside tasks languishing in your drawer. If you can sort these out you will eliminate the source of many problems.
  - For example, tackle the source of customer complaints and urgent complaints will reduce (*see Section 8*). You can never eliminate all the do-it-now items but good forward planning can reduce the amount of time you spend buzzing around like a blue-a\*\*\*\* fly.

## Questions to Ask

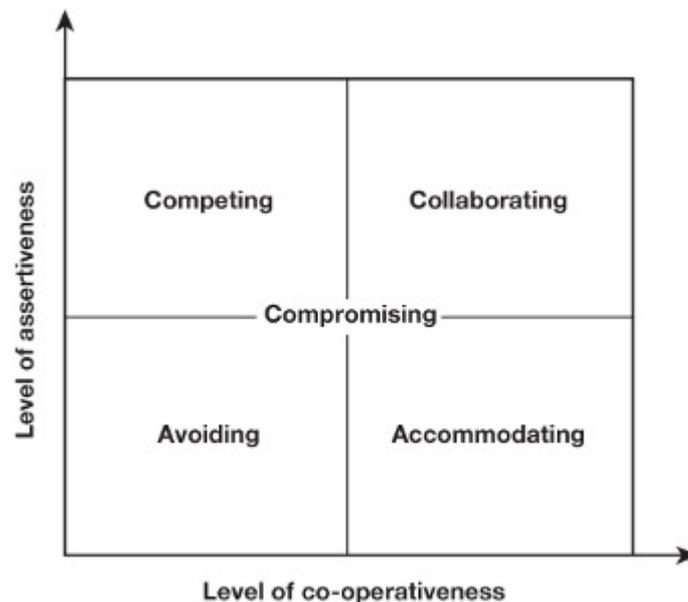
- If tackled, which of the set time aside jobs in my in-tray would save me most time?
- Which tasks should I redirect at source to another member of staff so that they never reach my desk?

## Theory Eighty Three

### Thomas and Kilmann's Conflict Resolution Model

Use this to understand and deal with conflict in your team.

*Kenneth Thomas and Ralph Kilmann identified five approaches for resolving conflict. Each approach is described according to the level of assertiveness and cooperativeness displayed by the parties involved in the conflict*



- **Collaborating** requires high assertiveness and high co-operation from all parties. This approach tries to fully satisfy everyone.
- **Accommodating** involves low assertiveness and high co-operation. This approach indicates a willingness for one party to satisfy the needs of others at the expense of their own.
- **Compromising** involves moderate assertiveness and co-operation and tries to ensure that all parties are at least partially satisfied.
- **Competing** leads to high assertiveness and low co-operation and is designed to ensure that one person wins at the expense of everyone else.
- **Avoiding** involves low assertiveness and low co-operation and is designed to avoid conflict and means that no party is satisfied.

Thomas and Kilmann argue that once a person understands the categories they can select the most appropriate approach to take in each new situation.

## How to Use It

- Conflict and disagreement are rife in the workplace. So how do we avoid it? That's the first trap. Don't try to avoid conflict, instead resolve it. If you resolve conflicts as they arise you eliminate future causes of conflict.
- Start by identifying your default position – your instinctive reaction to conflict. There isn't a questionnaire to help you do this. So think about how you dealt with a couple of recent conflict situations. Be honest in your assessment of your default position
- Knowing your default position, approach each new situation in a calm and respectful manner. Be courteous with the other person(s) and listen carefully to what they have to say (see Theory 9). Try to separate the problem from the person(s). Just because they hold a different position to you doesn't mean that they are aggressive or negative.
- Set out the facts and settle on some points that you can both agree on. Then explore the various options available to you. Set some goals and deadlines that you can both agree on and start to work towards them. As you make progress, mutual trust and understanding will develop between you. This will make it possible to tackle any outstanding problems that you still have.
- Even among friends legitimate differences of opinions can escalate into full-blown arguments and major fall-outs. To avoid this, remain non-confrontational and focus on the issue not the person.

## Questions to Ask

- When faced with conflict am I too weak or aggressive?
- Do I need assertiveness or anger management training?

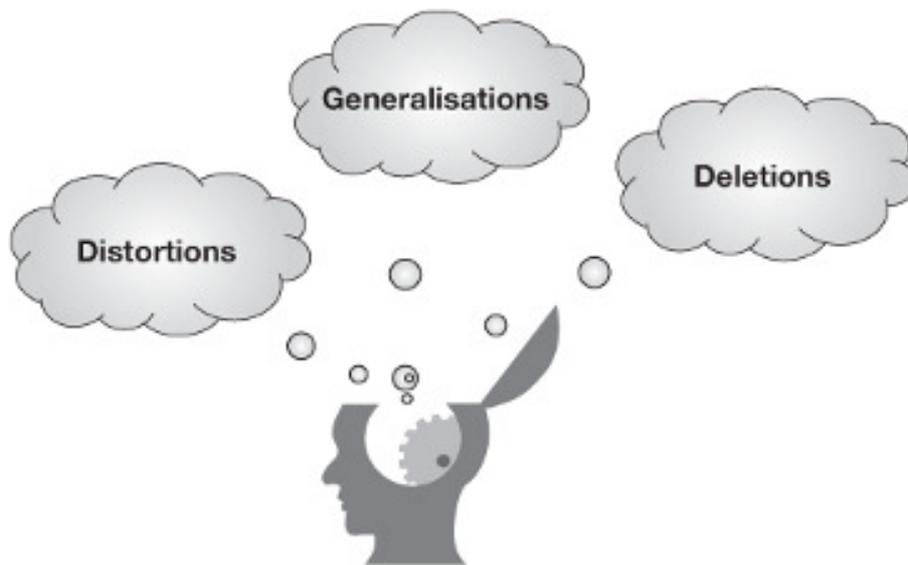
## ***Theory Eighty Four***

### **Grinder and Bandler's Neuro Linguistic Programming (Nlp) Filtering Theory**

Use to remind you that what you say (transmit) is not always what is heard (received).

*John Grinder and Richard Bandler suggest that our brain's perception of events may be different from reality.*

*This action is described as a filtering process that helps us to create the interpretations upon which we base our actions*



There are three filters (Deletion, Distortion and Generalisation) that are important because:

- Deletion prevents our brain from having to absorb the mass of sensory information that we are exposed to every second and removes information that we consider irrelevant.
- Distortion allows us to fit an event or occurrence into a framework of pre-existing knowledge. It changes our interpretation of events to fit our existing understanding.
- Generalisation enables us make a judgement based on something similar that we may have experienced previously

## HOW TO USE IT

- Using communication techniques such as NLP depends on building a rapport with the other person. Start by finding common ground and then maintain a good rapport through effective use of language, gestures and tone (see Theory 31).
- One of the key pillars of NLP is the belief that the meaning of your communication is determined by the response you get and not what you meant. Therefore take great care in how you frame each communication.
- Decide on what it is you want the other person to do as a result of the communication. This is the outcome you want.
- Put your message over as clearly, accurately and unambiguously as you can.
- Use verbal and non-verbal communication, e.g. body language, to emphasise particular points.
- Look for clues that indicate whether or not the person understands what you are trying to communicate.
- Use the feedback you get to identify if they are deleting, distorting or over-generalising the information you have communicated to them. Correct such misunderstandings during the conversation.
- If at first you don't get the response you wanted try a different approach.

## Questions to Ask

- Do I listen actively to what my staff say?
- Do I seek to be understood not just heard?

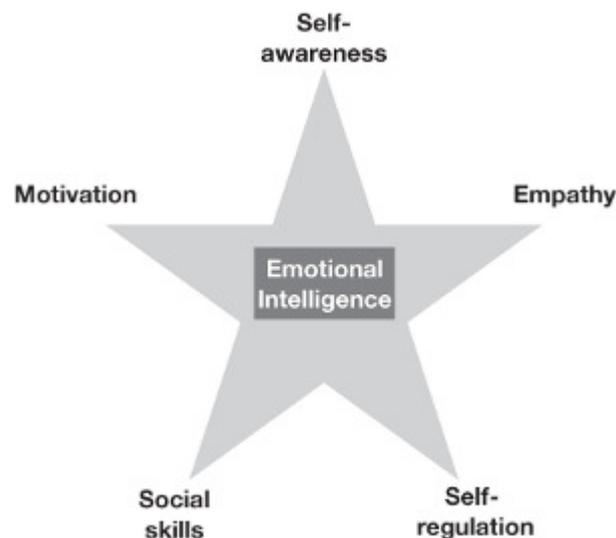
## Theory Eighty Five

### Goleman's Theory of Emotional Intelligence

Use this to become a better manager by increasing your self-awareness and understanding of others.

*Daniel Goleman's work in the 1990s on emotional intelligence (EI) popularised the idea that it is not sufficient for managers to have a high IQ and be technically skilled. If they wanted to win the hearts and minds of staff they also needed to be emotionally intelligent.*

*Goleman identified five characteristics that managers needed to develop if they were to be successful. These are:*



- Self-awareness: Managers must recognise their own emotional states and the impact their emotions can have on others.
- Empathy: Managers need to identify with and understand other people's feelings when making decisions.
- Self-regulation: Managers must control their emotions and impulses and be able to adapt to changing circumstances.
- Social skills: Managers need to manage relationships, influence people and encourage them to move in the direction that they have identified.

- Motivation: Managers must develop their own source of intrinsic motivation. They can't rely on external rewards to motivate them. Achievement of their goals will provide the ultimate satisfaction (see Section 3).

Goleman believes that possessing self-awareness and an understanding of others can make an individual both a better person and a better manager.

## How to Use It

- Establish your Emotional Intelligence Quotient by completing one of the many online questionnaires that are available. Self-awareness is critical so be honest when you go through this process.
- Keep a reflective diary. This doesn't have to be of Pepysesque proportions. Just jot down any key incidents that took place during the day: what you did, why you did it, what impact it had on you and on others. You can then review it and consider how you could have done things differently/better.
- Try to look at situations from other people's perspectives. This doesn't mean you must follow their line or even agree with what they have to say. However, by trying to be empathetic and recognising that people are entitled to their views and beliefs you will lay the foundations for effective dialogue.
- Take time to listen attentively to the other person's viewpoint and control the urge to jump in and make rushed or emotional decisions; and never start a sentence with 'If I were you ...' – 'cos you ain't.
- There will be times when you feel you can't compromise. This may be down to your own principles and beliefs. Recognise that other people may also have deep convictions about an issue. Don't allow yourself to become frustrated or angry if they also refuse to compromise. Stay calm and re-examine your values in the light of what they have to say and seek to find a solution that is acceptable to both of you.

## Questions to Ask

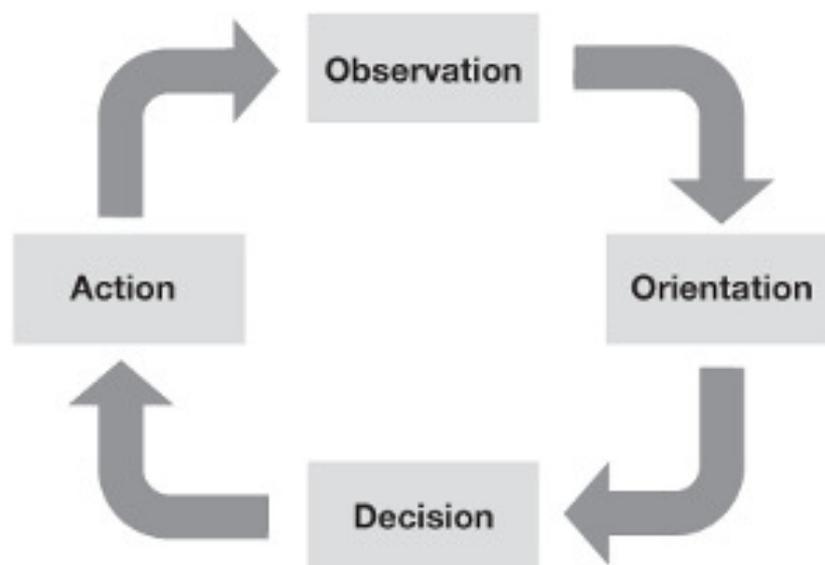
- Do I believe that having a high EI is important in the workplace?
- If I think it is important, how much do I really know about it/use it?

## Theory Eighty Six

### Boyd's Ooda Loop

Use to enhance your decision-making skills.

John Boyd was a US Air Force Colonel who developed the OODA model as a decision-making tool in air combat. The model was quickly picked up by managers in other sectors.



- Observation: Collect up-to-date data from as many sources as possible. But remember that all decisions are based on incomplete information.
- Orientation: Determine what the data means. Use a combination of analytical and intuitive responses to update your understanding of what's happening.
- Decision: Determine what course of action you need to take to get the best result.
- Action: Follow through on your decision.

The model is cyclical and requires managers to evaluate the outcome of the action and repeat the orientation, decision-making and action stages until the desired result is achieved. Boyd stresses the importance of not using the model in a static fashion but as a dynamic, fast, reactive model. He suggests that the faster pilots moved through the model, the more likely it is that they would get a positive result.

## How to Use It

- Unlike in air combat there is seldom the need for instantaneous decisions in business. Therefore, use Boyd's loop but leave the issue of speed to one side.
- Start by identifying any opportunities or threats you face. You may already have an example on your desk or you could use a SWOT analysis to identify one (see Theory 65). Gather as much data as you can about the issue but beware of the laws of diminishing returns.
- Remember, no matter how accurate your data is it will always be incomplete and your brain will filter the information further (see Theory 84).
- Don't be afraid to use your intuition as you try to make sense of the situation. This isn't guesswork; intuition or tacit knowledge is something that develops as a result of past experiences and learning and resides deep in your subconscious until you need it (see How to get the most out of this book).
- Recognise that any decision you make is really only your best guess of what's right at a given moment. Keep refining your decision and subsequent actions by repeating the OODA loop until you are happy with the result.
- Before you use the OODA loop on something significant test the theory in a safe environment.

## Questions to Ask

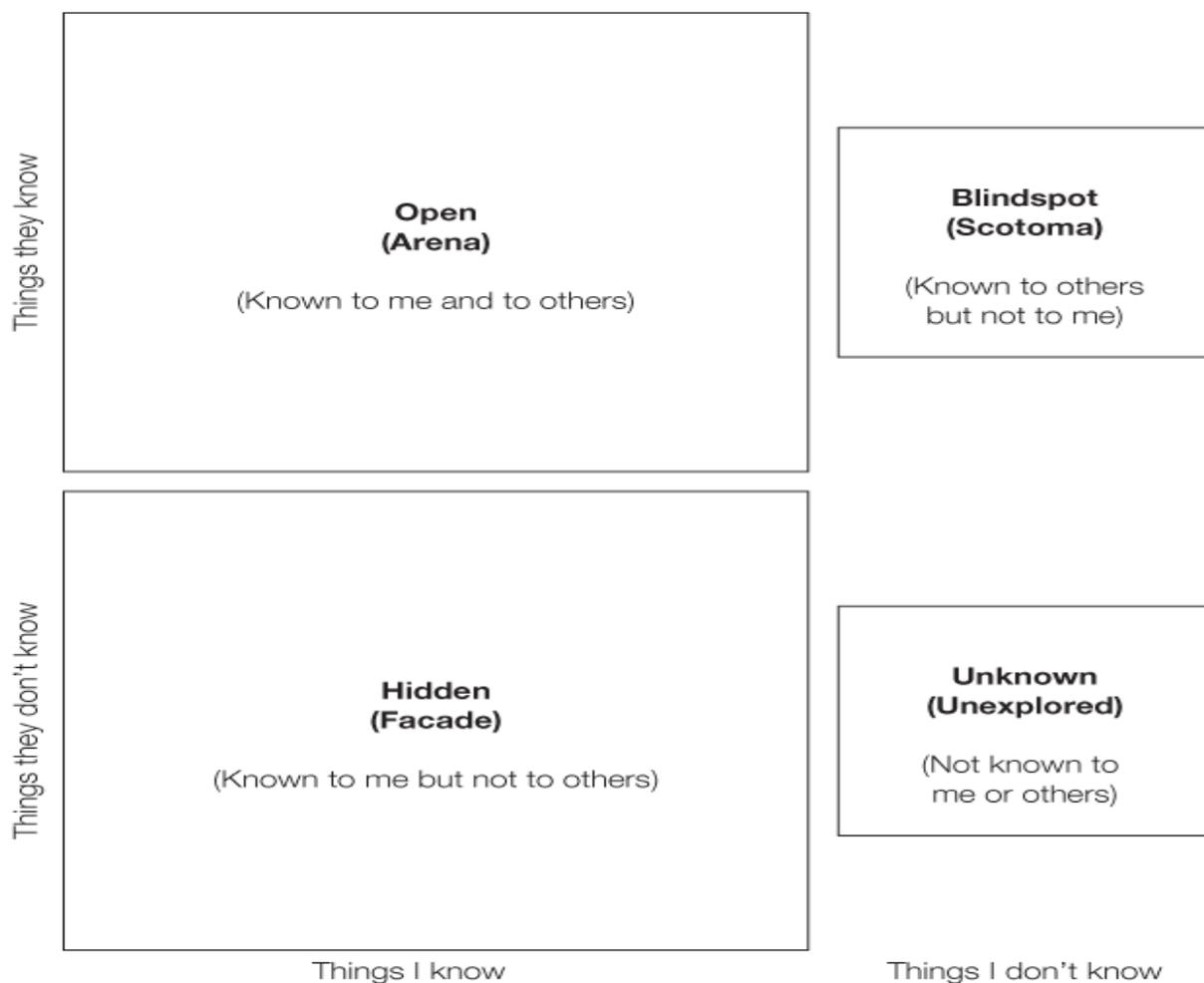
- How difficult do I find it to make decisions? Do I take into account all the information available to me or are my decisions based on gut reaction?
- Do I need to change how I make decisions?

## Theory Eighty Seven

### Luft and Ingram's Johari Windows

Use to appreciate how important self-discovery and shared discovery can be in increasing understanding and trust.

In the 1950s two psychologists, Joseph Luft and Harry Ingram, developed a model for soliciting and giving feedback. The model is a 2 × 2 grid which represents things that a person knows about themselves on one axis and things that others know about them on the other axis. By plotting the levels of self-knowledge and the knowledge held by others the person can develop a greater understanding of their personality and how they are perceived by others.



Luft and Ingram designed a Characteristics Test that enables an individual to gauge the degree of things they know about themselves and to correlate this with the things their peers know about them. The responses can be mapped onto the grid to produce a window frame (usually with one predominant pane).

## How to Use It

- Use this model to analyse how good you are at giving and receiving feedback. Start by constructing your own window frame. Do this by accessing Luft and Ingram's Characteristics Test or any one of a number of online alternatives.
- Examine the good, the bad and the ugly. The larger the arena pane, the higher the level of communication, understanding and trust between you and your team members.
- If the arena pane is not the largest, then take action to increase the size of it by discussing your thoughts more openly with others and soliciting their feedback.
- You also increase the size of the arena pane by reducing the size of the others. Remember you cannot consciously change what you don't know, so use self-discovery and shared discovery through giving and receiving feedback as a means of increasing openness, understanding and trust.

## Questions to ask:

- What's preventing me from sharing my thoughts with other members of my team?
- How open are team members when talking to me about themselves?

## Theory Eighty Eight

### SMART Goals

Use this simple tool to keep you and your staff on track and meet deadlines.

*SMART is an acronym used to describe the setting of goals for individuals, teams or organisations. Whilst it is difficult to attribute the development of the tool to any individual, a number of sources refer to an article by George Doran in the November 1981 issue of Management Review as the first known use of the term.*

*Although there is no clear consensus on what each of the five letters stands for, the following are popular interpretations.*



- **Specific:** The goal is clear and unambiguous.
- **Measurable:** There is a criterion that can be used to track progress.
- **Achievable:** The goal is doable.
- **Realistic:** The goal is relevant to the organisation and can be accomplished with the organisation's current resources.
- **Timely:** There is a time frame for completion of the work.

The SMART acronym has been extended in recent years to include Exciting (making the goal challenging) and Rewarding (acknowledging everyone's contribution) thus making for SMARTER goal setting.

## How to Use It

- Firstly, make sure that every person has clear, well-defined targets. Woolly targets allow for ambiguity and misunderstanding. Get people to tell you what their targets are and correct any misunderstandings.
- Once you are absolutely certain that everyone is clear on what is required devise a monitoring system that will track progress and identify when milestones have been achieved.
- While you will want to stretch and challenge both yourself and the team, you must be certain that the outcome is attainable. Nothing demotivates more than constant failure.
- Make sure that the targets you set for yourself and your team are aligned with organisational goals. If you don't do this you are unlikely to receive support from the powers on high.
- Engender an appropriate sense of urgency by attaching a deadline for completion to each task/target within the milestone.
- Recognise that the SMART approach to target setting is one of the simplest but most versatile tools you have in your toolbox; a bit like one of those multi-function knives that men buy as a luxury gadget and then find essential. You can use it for a multitude of activities including strategic planning, project management, setting team goals and performance reviews. Its great strength is that it gets you to focus on outcomes rather than activities/processes.

## Questions to Ask

- How often am I going to measure progress against target?
- What am I going to do if a milestone is not met?

## ***Theory Eighty Nine***

### **The McNamara Fallacy**

Use to remind you of the crucial role that non-quantifiable information plays in managing an organisation.

*Robert McNamara was the United States Secretary of Defence from 1961 to 1968.*

*He developed his fallacy theory as a way of explaining why America was defeated in the Vietnam War. His theory contains just four statements.*

#### **Managers:**

- Measure what can be easily measured.
- Disregard or poorly quantify what can't be easily measured.
- Assume that what can't be measured isn't important.
- Assume that what can't be measured doesn't exist.

McNamara believed that American Generals and politicians had looked at the increasing number of Viet Cong killed and based on that believed they were winning the war.

They ignored factors such as national resentment against an occupying army, a desire for independence and the high morale of the enemy; because such factors were non-quantifiable they were considered as of no importance.

## How to Use It

- Accept that since the advent of scientific management (see Theory 3) there has a tendency in organisations to base decisions on quantifiable information in the mistaken belief that such decisions are more scientific and therefore accurate than those that include non-quantifiable data.
- When using statistics always ask how the data were collected and what assumptions were made when they were analysed.
- Where relevant include non-quantifiable data such as staff and customer goodwill, reputation, staff morale and loyalty, knowledge and expertise of staff, the synergy generated by the unique mix of people who work for you (if any), value of internal and external personal contacts/relationships etc.

## Questions to Ask

- What 'assets' does my organisation or team possess that are either difficult or impossible to quantify?
- Do I take them into account when making decisions?