

Human Resource Associates

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The Skills of Top Managers Part X

If you are a manager, it's likely that you got to this level in your career because of the excellent contributions you made. You developed useful skills, did good work, and got it done on time. Now that you are a manager, you may be looking at opportunities to play a larger role or you may have already been asked to do so.

You should know, however, that most of the skills that got you here will help you very little in your expanding role. Those skills will certainly be useful, but they will no longer define your role. Your job as a top manager will be to get results through the creativity, expertise, and energy of others.

Your sales skills, for example, may have gotten you promoted to district manager of sales. Those skills will help you to train new sales people, but your success as a sales manager will be determined by your ability to hire and retain good people and to develop the full potential of each team member.

You will need to know how to create plans and goals, control budgets, to make good decisions, to fire people who cannot

or will not do their work, to help promotable people to move up, and so on. This is a new game and it requires new skills.

In the previous nine issues of Personnel Notebook, we looked at what *Harvard Business Review* considers to be the 13 skills of top managers. Let's take another look at them.

Skill #1: Setting Goals That Will Inspire Others

Your goals should be based on the strategy the company has set. They should be made clear to everyone and must be monitored and rewarded.

Skill #2: Hiring the Best

Know what the job is, know what skills and abilities it requires, and know how to identify them in the people you interview.

Skill #3: Keeping the Best

Create the environment, the incentives, and the clear paths for employee success. Be a coach, delegate wisely, and stay close to your team.

Skill #4: Delegating With Confidence

As a manager, your focus is less on your activities and more on using your team to attain the end results you are accountable for. Recognize people's abilities and delegate accordingly. Focus more on "what" and less on "how."

Skill #5: Managing Your Time

Procrastination can ruin your career. Focus your actions on whatever is the most important use of your time. Good management requires time management for you and your team.

Skill #6: Managing Teams

A team is a small number of individuals with complementary skills, committed to a common purpose with agreed on goals and collective accountability. Your job is to create and manage that team and to accomplish the established goals.

Skill #7: Appraising and Coaching

Monitor team progress and keep people informed about how good or bad they're doing. Help each person to give the performance you want. Measure everything. "If you can't measure it, you can't manage it."

Skill #8: Handling Problem Employees

Identify your lowest performers. Let them know what specifically they should do to meet performance standards. Agree with them on a specific action plan. Hold them responsible for that plan.

Skill #9: Dealing With Crisis

Any change that results in an urgent problem that must be addressed by management is a crisis. Know how to identify the crisis, and how to avoid, manage, contain, resolve, and learn from it.

Skill #10: Developing Your Career (and Yours)

Career development is the process of accessing where you are in your work life, where you want to be, and beginning to make the necessary changes to get you there. But career development does not necessarily mean advancing; it can also mean broadening or expanding your skills.

True success comes from recognizing what motivates you and what inspires you. What are your values? You want to focus your future more on what you want to be doing than on the position you want to be in. As a top manager, your job includes doing all this for your team as well.

Skill #11: Becoming a Leader

Managers and leaders are not the same thing. They are not motivated by the same things. They don't do the same things. Not all managers make good leaders and not all leaders are good managers. All top managers must develop some leadership skills, but some top managers master the art of leadership and advance into that role.

Managers create order out of complexity. They keep the trains running on time and going where they are supposed to go. They manage things that need to be done.

Leaders decide where the company or team is going, what its vision and goals are to be, and how to communicate that vision and to inspire everyone to make that journey.

Some Characteristics of Leaders:

Persistent — They maintain a forward-looking, positive, focused attitude despite obstacles.

Communicators — They know how to listen, make presentations, and speak in public.

Negotiators — They are always negotiating, both with their own people and with outsiders.

Politically astute — They have a solid sense of what is going on in their company, their industry, and with their people.

Engaging — They are effective in getting others to commit to their goals.

Challenging — They convince others that they should set high standards and accept goals that cause them to stretch.

Future focused — They organize short-term tasks according to long-term goals.

Inspiring — Leaders create a vision that others will follow. They know that visions are about where you are going and goals are about how you'll get there.

Leaders are agents of change. With one foot in this world and the other in a new world, they create a bridge across which others can and want to travel, and leaders fight complacency. They do not want to see everyone being just too comfortable to chase visions.

Skill #12: Strategy

In order for managers to direct people to do the right things and to do them right, they must develop strategies. Strategy is often confused with tactics, but they are not the same.

Strategy is the grand plan or goal you have chosen to achieve. Tactics are the steps you take to make that strategy happen; for example, if you have decided to increase sales during the next year, you have to create the strategy you will use to achieve that increase. Your strategy could be one or more of the following:

- Develop sales to new customers
- Expand sales to existing customers
- Develop new products or services
- Acquire a smaller competitor

If you decide that your strategy to increase sales will be to expand sales to existing customers, then you must identify the

tactics you will use to carry out that strategy. These tactics may include:

- Identifying which customers could use new products
- Offering discounts or sales on specific products or services to all existing customers
- Sending a flyer or catalog promoting products customers are not currently using to all existing customers

You may decide to use all of these tactics. Then your plan for next year might look like this:

Goal: Increase sales next year

Strategy: Expand sales to existing customers

Tactics: Identify customers by products or services not used

Offer them a discount or bonus for using new products or services

Send a flyer to all existing customers promoting only products they do not yet use

Know how to set goals, identify strategy, decide tactics, and agree on delegated tasks.

Skill #13: Mastering Financial Tools

For far too many managers finance can be the major stumbling block. Because management is often looked at as a personality or organizational talent, many managers don't see finance as a compatible or necessary skill. But top managers find that managing without financial skills is like being a supervisor or a foreman who gets things done but will never rise to the level of executive leadership.

Top managers must understand the basics of financial knowledge. Although there may be many worthwhile visions and missions that the company also wants to achieve, making money is the reason most businesses exist.

The basics of mastering financial tools start with these four skills:

Budgeting: A good budget lets you see in advance whether or not you have the assets to meet your goals. Large companies focus on annual budgets; small companies usually need to focus on monthly or weekly budgets.

A good budget interprets your strategic plan into measurable, realistic steps. It often becomes your company's action plan.

Financial Statements: As accountability and decision making have been pushed further down into lower levels, managers must now understand what the terms "current liabilities," "profit margins," and "working capital" really mean.

The financial statements are the essential documents of business. They tell you what your company owns, what it owes to others, what its resources are, how it spend its money, how much profit it makes, and what the state of the company's financial health is.

Net Value and Rate of Return: What is the company worth? What are its assets? What amount of return is it earning on those assets? Should these assets (or monies) be invested in something else? Understanding value and rate of return on assets is fundamental to knowing whether this is a going enterprise or not.

Break-Even Analysis and Operating Leverage: The break-even point tells you how much you need to sell in order to meet your cash flow needs. You need to know what all your costs are and what the profit will be on your sales.

Operating Leverage: Once you've reached your break-even sales point, all additional sales goes directly to profits. This amount tells you what freedom (leverage) you have to invest in the business or to take as profit.

Managers are not paid to perform functions. They are paid to produce end results usually through other people. These 13 skills are all about what it takes to produce the best end results.

Management is full of skills that can be learned. Managers are not born. They are made, usually by the one who wants very much to be a top manager.

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