

# LEADERSHIP FUNDAMENTALS - THE VITAL SIGNS TO RECOGNIZE IN GREAT MANAGEMENT

*Radars* sits down with Amanda Goodall, a management professor, to discuss what really makes employees tick and the huge impact that managers at all levels have on productivity, retention, and job satisfaction for everyone they manage

by Alex Viall

We all know when we are being managed well. It's something that feels inherently right. There is the expectation that any obstacles will be removed by a good manager, that this person is working alongside you to put you in a position to succeed.

Since 1997, when Amanda Goodall first started to work in academia, her interest in effective leadership and quality management has been a mainstay of her work. She has conducted numerous studies with world-renowned sociologists and leaders in medicine and academia at Cornell, Yale, and the Universities of Zurich and Warwick. She is now an associate professor at Cass Business School.

Amanda is the first to admit that social science is data-driven. She has spent 20 years researching and exploring her main hypothesis. She is very forthright when asserting that the best leaders are experts in their field who have not come from typical management or administrative backgrounds. She has set out to confirm this in a variety of studies and to properly analyze and prove this in a way that is more practical than the traditional leadership research, which she describes with frustration as too focused “on the big man, too anecdotal.”

## BE AN EXPERT FIRST

Her perspective is shaped by her experience working alongside business leaders who had previously been the best in their trade before turning to management. She recognized how magnetic they were to acolytes who were immediately attracted to working with someone who reached the highest peak of their particular field.

For example, geneticist Paul Nurse had won the Nobel Prize in Science. He had an extraordinary impact after his appointment to the Francis Crick Institute.

“This appointment was like a beacon internally and



Amanda Goodall helps managers to self-analyze

externally. It told everyone that this organization wanted the best,” she said. “There is no clearer signal to anyone who has ambitions to reach the same heights. Here is the person who can develop others in that institution and set them up to succeed. The other upside is how many exter-



Google's Project Oxygen breathed air back into management practice there

nal parties want a piece of the same action, whether that be donors or investors. Steve Jobs was a master in this category.”

Amanda's research has been diverse. It includes a number of industries from the high-pressure sports world to the highest levels of finance. Her work examining management success in Formula One motorsport and professional basketball only confirmed her more traditional business studies.

“The patterns were statistically very reliable and were being replicated in all sorts of data sets,” she said.

In F1, it was the extent to which the individual had an actual driving career, and the length of time they had been driving professionally, while in basketball, it was the All-Stars and those with the longest careers in the NBA who were significantly ahead when it came to management competence.

Perhaps most insightful is the massive impact that managers have on the people they manage. One of Amanda's studies examined the job satisfaction of 35,000 workers in a variety of different industries in the U.S. and U.K. There was a very strong link to an employee having job satisfaction and fulfillment in their role in instances where an

employee's boss had worked their way up the organization or started it. It was vital they had a manager who could competently do the job that employee was required to do. This was then directly correlated to their desire to stay with that business.

She points to the historical separation between management and expertise.

“This has suited the Anglo-American style of management that has been promoted by their business schools,” Goodall said. “They teach undergrads in business and management but this is like teaching dentistry to people who have never seen teeth. Germany, for example, has a very different approach in this respect.”

**“All organizations are different, and it is key that management is intertwined with the business. Managers are fans of management practice while experts tend to reject it as bureaucracy.”**

“We are trying to bring the two together with an instructive course and book on this issue later this year.”



## WHAT MAKES A PERFECT MANAGER?

Amanda is unequivocal on the criteria that define a great manager.

“Credibility and being the best at what they do. Even our work on line managers has found that those who rate their own manager as being an expert are far happier in their role and much more productive,” Goodall said.

Line managers have a big influence on employee working life. The best communicate well and are ideally equipped to develop the careers of those they manage.

“These people usually adopt a consultative approach and know the right conditions for their workers to thrive and succeed,” Goodall said, “and this career development is so crucial for underlying job satisfaction.”

“The best managers often just know what to do, and they may not necessarily be hugely inspiring,” Goodall said. “It is clear that if you are not a core business expert you have to get into the heads of the people you want to influence. You must know what you don’t know about each person you manage. Look at cleaners in hospitals, especially now. They need to be managed by someone who understands them and their world intimately.”

Hubris is also a big issue. Goodall said that those who are especially outstanding often assume they are excellent at everything else. This is a common misconception to overcome with formal leadership development.

“It is best that they hold a mirror up to themselves and get comfortable with all the personal stuff,” Goodall said. “They need to be aware of their own behavior, biases and prejudices. The best leaders have humility, can listen, and are still open to more learning.”

## DOES THIS APPLY TO THE BOARD TOO?

Goodall creates a strong argument for the natural link between senior management and the board, affirming that the same principles need to be applied to the non-executive team.

**“Boards are generally stuffed with the great and the good but they often know very little about the business they are meant to be representing. This cascades through the organization, it affects who gets hired to be CEO and this then has an impact on the rest of the management beneath,” Goodall said.**

“What is disconcerting is how many headhunters are keen to put in people who have not previously worked in that type of business but have managed successfully elsewhere.”

She talks animatedly about “homophily” which is well known in biology; this resembles the “like for like” selection in nature and has been noted repeatedly in social and

business networks.

“We tend to pick those who are like us, who make us feel comfortable,” she said. “You pick a mating partner or a business executive who looks like you, speaks the same language. It has an evolutionary link with some resulting advantages but lacks diversity. Boards often pick their CEO on the basis that they can get on with this personality. They feel this person is “one of them” and this can be a big problem.”

She quotes Patrick Harker, the former Dean of the Wharton School, who told Goodall, “Leaders are the final arbiters of quality. Therefore it is right to expect the standard bearer to first bear the standard.” She asserts that the head of an organization needs to very clearly signal the direction that organization is taking and needs to go in, and be the driver of strategy. She sums it up: “you just need a leader who understands both the core workers and the core business fundamentally.”

She refers in glowing terms to the boards of the most successful “big tech” businesses like Amazon and Google.

“All of these boards are made of people with deeply relevant expertise and academic achievement related to IT and science,” Goodall said. “The curious outlier remains the boards of the big consulting companies. They are only comprised of people who have worked there all their lives. There is such homogeneity there and yet they seem to think they are qualified to tell other people how to run their businesses when they have zero experience outside of consulting, which appears seriously hypocritical.”

## MEASURING THE EFFECTIVENESS OF MANAGERS

Goodall is reluctant to lay down any established standard and describes the assessment of management effectiveness as evolving.

“It is very hard for many in big enterprises to answer with confidence how their organization is being led when they are so distant from the leaders,” Goodall said.

**“More relevant is how they are being managed, their view of their work conditions and how fulfilled they are. These are all very good measures here. The other piece that is not to be underestimated is the commitment to training, and continuous development of a real career path.”**

She refers to a study conducted by Google in 2008 called Project Oxygen. It set out to determine what makes a great manager at Google. The team working on the project defined manager quality based on two quantitative measures: manager performance ratings and manager feedback from Google’s annual employee survey. Data was collected using past performance appraisals, employee surveys, and

other sources of employee feedback. The project concluded that over time, the qualities of a great manager at Google had grown and evolved along with the company, resulting in 10 key behaviors. The higher the scores a manager received, the better those three outcomes were for their teams over the next year. Their team members were more likely to stay at Google, gave higher subsequent satisfaction scores on the employee survey, and were better performers.

The 10 desirable manager behaviors at Google determined by this study:

- Is a good coach
- Empowers team and does not micromanage
- Creates an inclusive team environment, showing concern for success and well-being
- Is productive and results-oriented
- Is a good communicator, listens and shares well
- Supports career development and discusses performance
- Has a clear vision/strategy for the team
- Has key technical skills to help advise the team
- Collaborates across Google
- Is a strong decision maker



Managers at the heart of team network must be excellent communicators

### THE CLASSIC INDICATORS OF NEGATIVE TRAITS AND THEIR IMPACT

Goodall has been quoted widely in the press for her research around bullying in the workplace. She points to the variety of forms this can take and refers to the definition used by Acas, the U.K. government-funded arbitration service, which includes, “offensive, intimidating, malicious or insulting behavior, the abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient.”

She quotes a Danish study in which 8.3 percent of employees had been bullied in the previous year, with 33 percent of instances involving their managers as the perpetrators. In a different study of 4,500 employees in the EU aged 31-60, 13.3 percent reported bullying by their supervisor, and five percent reported that it was severe.

But as usual, what interests Goodall most is the impact the behavior has on the employee and the origins of misconduct by the manager.

Studies completed at Warwick University and Wisconsin University indicate clearly that misconduct and abuse from a supervisor last much longer in the memory of the employee than that from a client or a colleague.

“This is probably because of abuse of hierarchical power where the victim has no easy recourse to a right of reply,” Goodall said. “It is considered unforgivable.”

She is quick to add that bullying bosses cost their employer a lot of money that is easily quantifiable through legal settlement around non-disclosure agreements, as well as formally through arbitration and action in court. Harder to estimate is the less tangible cost in terms of subsequent negativity at work, workplace absence, and damage to morale and self-esteem. These all have a significant collateral impact on productivity and retention. Productive people are the ultimate link to the success of the corporation, and their input goes straight to the bottom line.

When asked what makes a bully in the office, Goodall refers to a study conducted by Serena Chen (University of California, Berkeley) and Nathaniel Fast (University of Southern California) in which they concluded that powerful people get aggressive when their ego is threatened.

**In four studies they found that this happens when leaders feel incompetent in their domain of power. “They resort to bullying when they lack adequate expert knowledge themselves,” Goodall said.**

### HOW DO EMPLOYEES MAKE THE JUMP INTO MANAGEMENT?

Amanda describes another study she conducted in Denmark where there was apparent reluctance for Danish doctors to commit to becoming leaders and going into management.

“I think those who were driving this assessment were approaching these potential managers in the wrong way,” Goodall said. “They were not asking them the right questions. We dialled it back and used our research to assess the conditions they needed to be in place first before they would consider becoming a leader and doing the relevant management training. Once we had established their reluctance, we were in a position to fix the problem. In reality, 70 percent of the respondents were prepared to do it if the right conditions were in place.” •