

Driving Company Performance by Linda Hanson, CMC

What is the single most important thing a CEO can do to maximize his or her company's performance? The answer is to creatively, aggressively, and systematically build the capabilities of the company's middle management. If the middle management team is performing in high gear, the managers themselves will motivate their subordinates to perform better.

A strong middle management team will produce outstanding operational results, easing the need for you to oversee and intervene directly in day-to-day operations. In addition, virtually all major strategic initiatives have to be carried out by the middle managers so their flexibility and leadership skills will determine how able they are to tailor and adapt initiatives to the company's changing circumstances. A well-functioning middle management team will also proactively create a constant stream of new initiatives to remedy problems and seize new opportunities. Middle management excellence is the key leverage point for great performance.

Contractors should use the following keys to improve their leadership effectiveness and that of their middle managers. It's not about mastering one or two of them—leaders must master them all.

- 1. Make sure everyone understands objectives.** The top reason for project failure is the lack of a clear definition. As Yogi Berra, once said, "You got to be careful if you don't know where you're going, because you might not get there!" If you want to improve performance you must start by making sure your managers understand the objective and how they fit in. This seems like common sense, but, surprisingly, managers aren't always sure of the objectives.
- 2. Foster Involvement.** General Eisenhower said, "Leadership is the art of getting someone else to do something you want done because he wants to do it." Participation is critical to buy-in, because without buy-in there's little chance for success. The best way to get your managers to want to do something is to have them participate in the decision-making process.
- 3. Continuously develop your people.** In today's competitive marketplace, contractors must do more than keep up; they must surge ahead of the competition. Spend time with your managers building their leadership skills on the job as part of their development. Develop them further by giving them constructive progress reviews to help them "get it" so they don't simply settle into a routine of managing "business as usual." Consider adding a combination of short courses, either in-house or outside, that cover important aspects of management with lengthier, comprehensive executive education courses. Continuous learning provides competitive advantages.
- 4. Communicate effectively.** Communication is a critical skill because managers can't be expected to perform if they don't understand what is expected. However, don't dictate to your managers, because that reduces motivation. What's needed is open dialogue. Rather than telling your managers what needs to be done, get all sides to suspend their

assumptions and think together toward a solution. This creates a mutually agreed upon solution and a commitment from all stakeholders. Effective communication is the most important ingredient to a successful project because it breeds understanding and trust.

5. Encourage creativity. Creativity can be another sustainable competitive advantage if it is turned into innovation—or action. Encouraging individual creativity is powerful because your managers are closer to the front line individuals who understand the client's unique needs. The other benefit is that an innovative environment attracts the best people. People get tired of doing the same old thing over and over, but when they can exercise their creativity they remain motivated. Help your company create a competitive advantage by creating improvement through innovation in your services, marketing efforts, business practices and management practices. Create a safe environment to foster creativity.

6. Unleash empowerment. There's no point in encouraging your managers' creativity unless they can express their ideas. Those closest to the problem often have the answers, while those in the office aren't even aware of the opportunity. The best companies take care of their customers better than their competitors do. This is accomplished by encouraging their employees to seek out customer problems and solve them—and to do so without gaining permission from higher authority. Help your managers drive empowerment throughout the company.

The highest calling for a leader is teaching their managers to lead because their performance is the ultimate point of leverage for all corporate performance. Use the six keys yourself and help your managers use them to drive company performance.

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