

FINANCIAL TIMES **Guides**

# MANAGEMENT

HOW TO MAKE A DIFFERENCE  
AND GET RESULTS

**ANN FRANCKE**



# Praise for *The Financial Times Guide to Management*

‘Practical, concise and full of tips every manager needs to know, *The Financial Times Guide To Management* provides a powerful guide for leaders at every level.’

***Arianna Huffington, Chairman, President and Editor-in-Chief of the Huffington Post Media Group***

‘Amidst the myriad of books on leadership, this guide presents an unusually concrete, comprehensive and practical set of principles and learnings for managers at every level.’

***John Pepper, Former CEO & Chairman, P&G; Former Chairman, Walt Disney***

‘This is clear, encouraging and packed with good sense – just like its author. A winner.’

***Eleanor Mills, Editorial Director, The Sunday Times***

‘Management means bringing out the best in people, but who brings out the best in a manager? Ann Francke’s book deserves to become an important part of the answer.’

***Gavin Patterson, CEO, BT***

‘Great compilation of management theory and best practice, with good input from influential practitioners.’

***Cilla Snowball, Group CEO and Group Chairman, AMV BBDO***

‘*The FT Guide to Management* is an excellent resource for anyone interested in becoming a better manager, wherever they are in their career.’

***Paul Geddes, CEO, Direct Line Group***

‘A resource and guide for every manager with the humility to learn from the insights and experiences of those who took the trouble to do the right thing.’

***Dame Carol Black, Chairman, Nuffield Trust; Principal, Newham College***

## Using your employer brand with the right audience

The culture you offer is likely to be a key factor in convincing employees to join you. Your employer brand should communicate your values; it will encompass your broader reputation with other stakeholders and the outside world. If you are a start-up firm, you will need to emphasise different attributes than you would if you are a FTSE 100, for example by giving people more meaningful work and an entrepreneurial environment. Conversely, if you are a large organisation, access to a global wealth of talent, resource, benefits and a well-established reputation may be the crucial selling points.

Today, people change jobs frequently and are on and off the job market many times throughout their careers. This means that your talent pool will come from many places: internal, external, social networks, via recruitment agencies, or head-hunters.

Do not overlook internal candidates. Be sure you advertise all vacancies internally before going externally. You might be surprised at how many people started off in different departments where they were unable to fully showcase their skills. Unilever CEO Paul Polman began life in the finance department before switching into brand management. Recently, someone who was in a call centre dealing with customer service had a hobby designing websites in her spare time. Such was her skill that when we were recruiting for a digital designer she very easily met the criteria.

If you do find yourself going externally, be creative. Recruiting via LinkedIn can save time and money and often yield candidates that are in some way connected to your organisation. I recall one head of HR saying at conference how she had reduced the cost of recruitment from £10,000 per person using recruitment agencies to around £11 per person by using LinkedIn, with no compromise in quality – the saving won her team department of the year!

If you are recruiting graduates from a particular university, bring recent alumni along to help you recruit. It's a great combination and one of the real secrets of P&G's recruiting success. When I was at BSI, we

beat out a number of bigger, more prestigious companies in terms of attracting interns from the London Business School because while many of the larger companies sent their HR recruiter on ‘road shows’, we sent real managers who talked about how the interns would be given projects tailored to their skills so that they could make a difference. We ended up with five high fliers.

## Job descriptions and interviews: keep them simple, clear and decisive

You always need to have a job description available. There are templates for this. The best include information on the job, the key outcomes expected, the resources available in terms of team and budgets, the reporting lines and the key stakeholders. They should also include a number of desired competencies or experiences – but ensure this is reasonable.

It helps to have some flexibility for the right candidate. The best people will often help shape and add to the job description as they go along. But it is vitally important that you are clear and honest at the outset about the job’s responsibilities. Above all, be clear about the people and the money. Blurring the lines of who reports to whom, or who makes major decisions, in the hopes of luring a prime candidate, is something that will come back to bite both you and them. I remember once, because of a lack of clarity between my role and a colleague’s role, the colleague effectively took over several of ‘my’ existing reports in the month between my being hired and the time I turned up to work. Not surprisingly, our relationship always struggled. On another occasion, on my first day my boss asked me and three peers who was responsible for a given business function. I had been led to believe that this was part of my remit. When he asked, all four hands went up. Awkward! If you are the hiring manager avoid these situations by creating clarity between your new hire and your existing direct reports. You will help them to have better relationships and produce better results.

The best interviewing processes involve more than one person, some form of structured competency questioning and a common assessment framework. It can also be very helpful to have the candidate prepare a

short presentation. You will learn much from this: Do they prepare? Do they answer the question in a structured way or meander around it? Do they present well? And if you ask for 10 minutes do they deliver 40?

In my experience, the best interviews are structured, but around open questions that probe the person on the companies they have worked for, their motivations and experiences. Probing for examples is also helpful – and do not interrupt, but let the candidate finish. If they never do it's usually a warning sign that they will lack similar clarity on the job. Even if you aren't interviewing in a panel, it's always a good idea to have a series of interviews and a group input. This helps overcome the 'mini-me' problem – the tendency to recruit in one's own image. Giving everyone the same criteria for evaluating, and encouraging people to give a score and justify their remarks, will not only ensure that you get a quality decision that can be backed up, it also provides feedback to the candidates.

Make sure it isn't just HR – take responsibility to ensure that the people in the job area who will work with the candidate are involved in their hiring process. If you are using psychometric tests, then make sure adequate time is given and offer the candidate a debrief.

When it comes to hiring, the best decisions are quick; the very best are made on the day. It may be the case that you cannot do this – especially if you are seeing several candidates over weeks or months. But the worst thing you can do is drag the decision out. It sends a signal of indecisiveness to the candidate, who may have many options. Also, you really should know if someone is suitable after four people have seen them. At P&G, people would be invited in, and interviewed by four different people, who then convened and discussed whether or not to hire the candidate. The candidate was informed on the same day, and often encouraged to accept on the spot.

If job descriptions are clear, and the interview is good, then decisions should be easy. And if you can make a decision quickly, you are more likely to get a yes – everyone likes to be wanted. A very talented and sought-after graduate told me that he had had eleven interviews with a bank and still wasn't sure if he'd be offered the role. How excruciating for all involved!

### Paperclip panel

One of the most idiosyncratic but effective methods of recruiting people that I have used is the 'paperclip panel'. After everyone had interviewed candidates individually, using the same structured questionnaire, we would all convene in someone's office. Paperclips would be laid on the table and everyone would put up to three of these in a fist according to the following guide:

**0 clips:** over my dead body will we hire this person.

**1 clip:** this person is OK but not strong in my view – I could pass ... or possibly be persuaded.

**2 clips:** a strong candidate whom we should hire.

**3 clips:** over my dead body will we NOT hire this person.

Then, on a count of three, the fists would open and the paperclips would drop to the table. They would be counted. After four people had interviewed candidates, at least eight clips would be needed for an offer. If people disagreed, say a zero clip and a three clip, which rarely happened but sometimes did, the two would debate and put forward their cases. Then the process would be repeated, with the more convincing one often having won over their colleagues.

## Keeping talent through reshapes

A job for life is a thing of the past. It used to be frowned upon to see tenure of three years or shorter on résumés, but it's now much more common. This means that keeping talent can be a challenge. This is especially true given that it costs much more to recruit and train an employee than it does to retain them. So retaining talent is important. How can you do it? Here are four tips for retaining talent:

- 1 Train and develop** Nine out of ten managers say that investing in them makes them feel appreciated and more likely to stay. According to a major study by CMI and Penna, the most effective forms of training and development are professional qualifications such as MBAs and Chartered Manager status. The least effective are one-off events.
- 2 Move people up and around** At major multinationals, people are put on developed career tracks where they change job, function and country every two to three years. This helps enormously in retaining talent, as it develops new skills and avoids fatigue.
- 3 Create an engaged culture** See Chapters 8 and 14 on how best to do this.

**4 Have great line managers** The biggest impact on people staying is their line manager. Equally this is the biggest single reason people move on. People leave people, not jobs.

In one recent survey, over 80 per cent of managers had experienced downsizing and redundancies in their companies over the past year.<sup>2</sup> Organisations are often looking for smarter ways of working using technology and simplifying processes.

Make sure your change programme links to your strategy and you can explain to people why you need to make these redundancies. Include reference to cultural changes in ways of working, not just cost savings. Again, if you need to move to an outcomes or performance culture, say so, and ensure you change those processes as well and do not just eliminate jobs.

Be open and gain input into new role design; it is always more effective if the people doing the work have input into the roles, and you will end up with a better organisational design. It's best to do this in phases, with each group helping to shape and streamline their work. Communicate quickly and often, and make sure messages are confident. Don't lie – if you know there will be redundancies, say so. This ensures that as few rumours as possible can start. Don't just cut cheaper roles while ring-fencing expensive, and often less needed, senior roles. This is readily seen through and will be viewed cynically. Take the opportunity to even out inequalities in titles, pay and job descriptions. It is amazing how often these differ unnecessarily across departments or countries.

Try to promote some positions from within. Reorganisation can be an opportunity to create bigger roles and allow current employees to apply for them. It is really important that you keep linking back the new roles to the strategy and desired outcome, so people see it not as change for change sake. Get rid of positions that you genuinely do not need, even if it is hard. Too often, roles will be ring-fenced because someone has been there a long time, or people are afraid to tackle a perceived sacred cow. (See also Part 5, 'Managing change', Chapters 14–16.)

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<sup>2</sup> <http://www.managers.org.uk/workinglife2012>

When promoting internally, one of the common ways of managing successions is to ask peers in the organisation who they wouldn't mind working for were that person to be promoted, and, equally, who they would never support. You would certainly want your name coming up on the first list – not the second.

## Letting people go (aka: firing)

Most of us have to do this at some point and have also been on the receiving end. It is one of the toughest tasks in management and one that too many managers assiduously avoid. Some managers will think that it reflects badly on them if they need to sack someone, others will be too concerned about the consequences and the reaction of the individual being fired and also the rest of their team. But people are not always rational and ethical, and will not always behave and perform in a way that is acceptable and in line with your company's policies and values.

The key reasons for needing to resort to firing someone are persistent poor performance and failure to deliver, or a disciplinary offence or grievance. Managing somebody out through poor performance needs to be handled carefully, as the manager needs to take steps to ensure that the person being dismissed is fully aware of their own performance issues. There will need to be clear evidence of how they have persistently missed objectives, failed to respond to warnings and failed to improve performance. If there is not clear evidence, then the individual being fired can claim unfair dismissal and sue the company. So investigate your company's performance procedure well in advance and follow it carefully. Document every meeting.

When managed effectively the end result usually benefits the individual concerned. Most likely, they were in the wrong role and unhappy that they couldn't deliver as required. In most cases, the individual will soon be employed elsewhere and much happier. I once had to fire someone who was in their fifties and going through a divorce – it was difficult but necessary. How rewarding it was when he rang me six months later to thank me – he was now doing charity work, which he had always wanted to do, and had found a new partner.