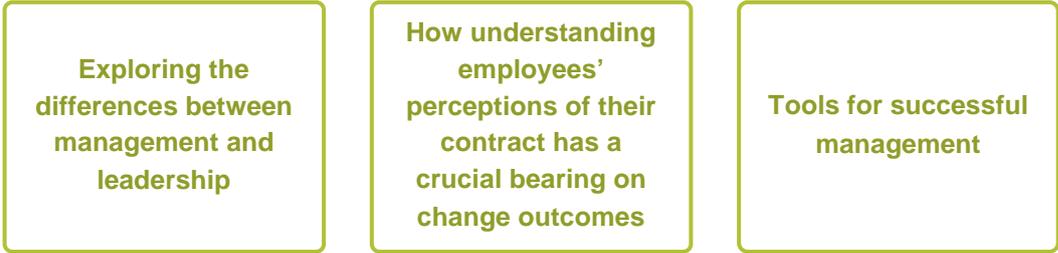




PERSPECTIVES ON LEADERSHIP AND MANAGEMENT



This note outlines how a good understanding of the relationship between each employee and the employer drives successful management and leadership.

Much of an employee's expectations of work and reward can be non-financial

THE PSYCHOLOGICAL CONTRACT

Employment contracts are overtly set down at the point of hiring and are rarely referred to after that. Instead, a more implicit psychological contract establishes the day-to-day interaction between managers and teams, reflecting the balance between employees' expectations of their inputs and their reward. External pressures, including personal problems or the economy, can influence perceptions and it is acknowledged that these cannot always be controlled.

The Iceberg model often applies to the input/reward balance of the psychological contract. Superficially, it can be thought of a balance between work and pay. In reality, much of the contract's components lie below the surface.

The longer an employee is with the company, or often the older an employee is, the more they perceive they are investing and the more company 'owes' them in return, usually in the form of more non-financial benefits. Additional inputs may involve expanded aspects of work like supervision, innovation, leadership, investment, etc. On the reward side, elements like development, promotion, variety, control, influence etc. become increasingly important.



The effective manager's greatest tool is an understanding of the psychological contract and the stage at which each employee is

The effective manager's greatest tool is understanding the complexities of the psychological contract and the stage at which each employee is. Each employee's perception of their contract cannot be objectively measured; managers need to rely on their judgement which improves with practice.

CHANGING THE PSYCHOLOGICAL CONTRACT

Managing change is notoriously difficult because the employees' psychological contracts are implicitly being changed. Without a good understanding of how the planned change may affect or disrupt an employee's individual relationship with the company, managing change becomes difficult.

To facilitate change managers most often leverage the deeper areas in the iceberg. This is where the employee is usually most invested and, on the input side, where managers are frequently expected to deliver results.

Any change to company values has a major impact on employees' perceptions of the company and their relationship with it

THE IMPORTANCE OF VALUES

A company's values demonstrate how it does business and why. While many companies have explicitly stated values, all companies have implicit values which are quickly understood by all staff. These implicit values are often even more important to staff than the explicit values.

Any change to a company's values will have a major impact on employees' perceptions of the company. Management requires a good understanding of these values and the affect any change to them may have on staff motivation or buy-in.

THE EMPLOYEE'S PERSPECTIVE

Successful managers are able to answer the "What's in it for me?" question for each member of their team. The answer is not always obvious and managers need to:

1. Put themselves in the shoes of each employee/team member
2. Articulate what's the win for everyone
3. Demonstrate the outcome that is expected
4. Consider the impact on the psychological contract of each employee
5. Assume nothing – be deliberate and explain, explain, explain,
6. Remember that actions speak volumes
7. Identify to how tell the story so that it sticks and creates buy-in

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MANAGEMENT VERSUS LEADERSHIP

MANAGEMENT TRAITS	LEADERSHIP TRAITS
Oversees the current process well	Wants to create the future
Focuses on execution	Thinks ideas
Must achieve balance	Needs to make change
Comfortable with control	Welcomes risks
Needs problems resolved quickly	Sees problems as opportunities; is patient with solutions
Procedure is king	Substance always trumps process

SOME USEFUL MANAGEMENT TOOLS

Leadership wins over process every time: ensure that staff understands the “Why”

Transparent and authentic management styles work best

1. **Expertise:** A manager’s expertise is critical to their success; they need to lead from there. Achieve a balance between using expertise, teaching and giving others more freedom.
2. **Example:** Good managers don’t ask employees to do something they are unwilling to do themselves.
3. **Positives:** Acknowledging the positives and successes of a team gives a manager more margin when something is wrong and criticism is needed.
4. **Courage:** It is important that managers do their job and manage. Backing off or being inconsistent can result in confusion and dissent.
5. **Authenticity:** Be real; if a manager is comfortable in their skin, employees will be more responsive and respectful. Authenticity is a manager’s greatest asset.
6. **Self-awareness:** Managers need to be aware of how they present to their team. What is it like to be part of the team? Every action a manager takes and their behaviour are in focus, particularly at times of change. Deliberate management is important given that everything is being observed for signals and dissonance.
7. **Communication:** When things get busy, it is very easy to forget that the team may not have the full picture. Transparency is important and fosters a sense of involvement, even if this means getting to the point of over-communicating.
8. **Leadership:** Effective managers ensure that everyone understands the “Why” of decisions. Leadership always wins over process.
9. **Self-trust:** No one gets it right every time. Successful managers are committed to their role and are willing to admit to, and learn from, their mistakes.
10. **Enjoyment:** Acknowledging and celebrating success is a great reward. Make an effort to include activities you know your team will enjoy. Have fun.

CONCLUSION

Understanding the relationship between each employee and the company is a crucial step in managing people and getting the best from them. Successful managers are able to see the employee’s perspective and leverage it to achieve buy-in. Transparent and authentic management styles work best, ensuring that staff understand the “Why”. Leadership wins over process every time.

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Please feel free to contact us at info@pragma.ie if you have any feedback or questions on this note. We would be delighted to hear from you.