

STUDY SHOWS:

The Most Effective Business Strategy in 2009 was Increased Supervision and Management

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**Increased supervision and management was the #1 most effective business strategy**

during the economic crisis of 2009, according to research conducted by Bruce Tulgan and RainmakerThinking, Inc.®, based in New Haven, Connecticut. Tulgan and RainmakerThinking, Inc.® have been conducting longitudinal workplace research since 1993. This report is based on a study conducted from October 2008 through January 2010, gathering data from RainmakerThinking's ongoing surveys, questionnaires, one-on-one interviews, focus groups, and seminars, as well as Bruce Tulgan's direct evaluation of more than 1,000 managers selected from participants in RainmakerThinking, Inc.'s ® intensive two-day management seminars, including managers from numerous different organizations in the private, public, and non-profit sectors. Tulgan is the author of numerous books based on the RainmakerThinking, Inc.® research, including the recent best-seller IT'S OKAY TO BE THE BOSS (HarperCollins, 2007) and the 1990s classic MANAGING GENERATION X (WW Norton 2000; 1995).

Based on our ongoing research, our findings indicate...

----IN 2009 LEADERS AND MANAGERS WERE LIKELY TO PURSUE AT LEAST ONE OF THREE STRATEGIES TO SURVIVE DURING THE ECONOMIC CRISIS OF 2009 ...

STRATEGY ONE---Cost cutting. Eliminating staff, space, and resources; or substituting less expensive staff, space, and resources.

STRATEGY TWO---Innovations other than cost-cutting. New methods of sourcing, design, production, promotion and delivery of services and products; or new services and products.

STRATEGY THREE---Increased supervision and management. More one-on-one training, direction, and feedback from managers; and/or more written tracking of individual performance.

----MANAGERS WHO PURSUED ALL THREE STRATEGIES REPORTED HAVING THE STRONGEST BOTTOM LINE FINANCIAL RESULTS IN 2009. These managers were the most likely to report that their bottom line financial results (at the level closest to the manager's control) in 2009 were "good," "very good," "better than expected," or "much better than expected."

---AMONG MANAGERS WHO PURSUED ONLY ONE OR TWO OF THE STRATEGIES, THOSE WHO DID NOT PURSUE STRATEGY THREE AT ALL REPORTED HAVING THE WEAKEST RESULTS IN 2009. These managers were the most likely to report that their bottom line financial results (at the level closest to the manager's control) in 2009 were "bad," "very bad," "worse than expected," or "much worse than expected."

---AMONG MANAGERS WHO PURSUED TWO OF THE STRATEGIES, THOSE WHO PURSUED STRATEGY THREE HAD STRONGER RESULTS. These managers were much less likely to report that their bottom line financial results (at the level closest to the manager's control) in 2009 were "bad," "very bad," "worse than expected," or "much worse than expected." Most who pursued strategy three reported that results were "good," "very good," "better than expected," or "much better than expected."

---AMONG MANAGERS WHO PURSUED ONLY ONE STRATEGY, THOSE WHO PURSUED STRATEGY THREE HAD BY FAR THE STRONGEST BOTTOM LINE FINANCIAL RESULTS IN 2009.

- MANAGERS who pursued only strategy one (cost cutting) were the most likely to report that their bottom line financial results (at the level closest to the manager's control) in 2009 were "bad," "very bad," "worse than expected," or "much worse than expected."

-MANAGERS who pursued only strategy two (innovation other than cost cutting) did better than those who pursued only cost-cutting, but less than half of these managers reported that results were "good," "very good," "better than expected," or "much better than expected."

-MANAGERS who only pursued strategy three, more than half reported that results were "good," "very good," "better than expected," or "much better than expected."

---COMPARING THE MANAGERS WHO DID NOT PURSUE STRATEGY THREE TO THE MANAGERS WHO DID PURSUE STRATEGY THREE...

-AMONG THE MANAGERS WHO DID NOT PURSUE STRATEGY THREE

- most reported spending "too much time" solving "preventable problems"
- most reported spending "too much time" solving "small problems that got out of control"
- most reported spending "too much time" on "salvaging wasted resources"
- almost half reported concern about employees seeming "demoralized and worried"
- a substantial number reported concern about increased turnover among high performers.

--AMONG THE MANAGERS WHO DID PURSUE STRATEGY THREE...

- the vast majority reported a "substantial decrease" in "preventable problems";
- most reported that solving problems "while they are small, before they turn into big problems" had become "much easier"
- most reported a "substantial decrease" in "wasted resources";
- most reported a "substantial increase" in "employee morale and commitment"
- almost half reported an increased ability to "fire or push out" more "low performers"

## POSTSCRIPT... THE UNDERMANAGEMENT EPIDEMIC REVISITED 2010

Since 1993, RainmakerThinking, Inc.® has conducted ongoing research on the dynamics of supervisory relationships in the changing workplace. Late in 2002, we began to focus our research on an alarming pattern: We found that a huge preponderance of those in leadership positions, at all levels, were severely “undermanaging” their direct reports on a day to day basis. That is, a great many leaders, managers, and supervisors at all levels in organizations of all shapes and sizes in every industry were not providing employees with what could be considered “the basics of management.”

What are the basics of management? (1) Regular clear statements of performance requirements and standard operating procedures related to recurring tasks and responsibilities. Regular clear statements of defined parameters, measurable goals, and concrete deadlines for all work assignments for which the direct report will be held accountable. (2) Regular and accurate monitoring, evaluation, and documentation of work performance. (3) Regular clear statements of specific feedback on work performance with guidance for improvement. (4) Rewards and detriments distributed fairly in the quid pro quo, transactional, terms of the employment relationship.

In June 2004, we released a report of our preliminary research on undermanagement, titled [THE UNDERMANAGEMENT EPIDEMIC](#). The research was reported in dozens of news stories, including features in publications ranging from FORTUNE to HR Magazine to the Toronto Star.

Since June 2004, our research has continued and intensified. We’ve conducted thousands of interviews and hundreds of focus groups including many thousands of participants. In our ongoing research, we find that the undermanagement epidemic persists throughout the workplace and continues to be extremely costly to organizations, managers at all levels, and non-managers.

In most organizations, it remains the case that a substantial number of leaders, managers, and supervisors are failing to consistently spend sufficient time in one-on-one management dialogues with their direct-reports to the extent necessary consistently to provide guidance and direction, make performance expectations clear, assist with project and resource planning, track performance, and provide candid feedback. Most leaders, managers and supervisors simply do not take charge on a day-to-day basis. They fail to spell out expectations every step of the way, track performance constantly, correct failure, and reward success. They are afraid to, or they don’t want to, or they just don’t know how to. This problem is widespread across the workplace, at all levels of organizations in every industry.

On the bright side, we have seen time and again, example after example, when leaders, managers, and supervisors begin concentrating on back-to-basics management with tremendous positive results. Like clockwork, productivity and quality improve almost immediately when leaders, managers, and supervisors begin spending time daily in one-on-one dialogues with their direct-reports to provide more up-front guidance and direction, to spell out expectations, to plan, to track performance, and to provide regular feedback. When leaders, managers and supervisors begin spending time daily on the basics of management, things get better: Fewer unnecessary problems occur. When problems do occur, they are more likely to be solved quickly while they are still small and containable. Resources are squandered far less often. Personnel issues are usually dealt with quickly and efficiently. Low performers tend to leave. High performers tend to stay and work harder. Most employees experience in improvement in morale and performance.

RainmakerThinking, Inc.® Research™ has been the source information for eighteen books, hundreds of articles by Bruce Tulgan, and has been cited in thousands of news stories around the world. Bruce Tulgan is the founder and chairman of RainmakerThinking, Inc.®. Contact us at:

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