

FOUR LITTLE WORDS
THAT HELP TO DEFINE A
WINNING MANAGEMENT STYLE

FORWARD

This is the second in a planned series of occasional booklets from The Dilenschneider Group. The overarching theme of the series, “Back to Basics”, is designed to give our clients and friends a different perspective on some of the key managerial issues facing most business enterprises.

The first, “Managing Uncertainty: Four Simple Rules,” generated dozens of responses from recipients commenting on the value and relevance provided by its few short, but insightful, pages. We hope “Four Little Words” serves a similar purpose.

FOUR LITTLE WORDS THAT HELP TO DEFINE A WINNING MANAGEMENT STYLE

Robert F. McDermott, CEO of United Services Automobile Association (USAA) from 1968 to 1993, was a retired U.S. Air Force brigadier general who had been a fighter pilot in World War II. A graduate of the United States Military Academy and the Harvard Business School, McDermott built a giant financial services conglomerate, based in San Antonio, Texas, with over \$81 billion in assets and 21,000 employees, all focused squarely on service to the customer.

He was a visionary, a leader with enough self-confidence to trust those around him. His trademark comment in a difficult situation was to turn to his colleagues and ask: “What do YOU think?”

Bob McDermott always seemed to make the right decision when presented with a variety of opinions. But he never failed to listen to and discuss alternative views.

This openness to hearing the ideas and views of those around him, however contrarian, gave them the confidence to speak candidly without fear of criticism or retribution.

Much of that success was a result of four little words:

WHAT DO YOU THINK?

THE AUTOCRAT AT THE CONFERENCE TABLE

It sometimes seems as if we are being catapulted from news of one business disaster to the next. We were still recovering from the after-effects of Enron when we were assaulted with the implosion at Bear Stearns and the many similar rescues and failures that continue to reverberate through the financial system.

As journalists and scholars of business continue to probe the reasons for such calamities, again and again they come across reports of intransigence at the top -- failing corporate leaders, who often forgot to listen to those around them choosing, instead, to think they were invulnerable or they alone had the keys to the vault of wisdom.

After a former New York governor's spectacular fall from grace, even his many admirers came forward to complain of what several called his "arrogance." Too often, he refused to listen to, or chose to ignore, the advice and counsel of those around him. "I am surrounded by idiots," he now famously is said to have thundered in frustration.

While fundamental principles of corporate management never change, management styles do evolve. And, if there is one certainty in these chaotic times, it is that the autocrat at the conference table is a dinosaur.

True, the chief executive still bears the responsibility for the well-being of the company and still makes the final call. But the successful CEO

-- the man or woman who will evoke genuine tears at retirement -- often turns to those around him/her and asks earnestly: "What do YOU think?"

ASK QUESTIONS FROM ALL... THEN TAKE RESPONSIBILITY

The most effective leaders in every situation, whether it is in the Oval Office at the White House or at the five-employee taco stand on the corner, typically, manage to gather the widest array of counsel and advice possible. The manager then sorts through it all and makes decisions based on that accumulated knowledge, taking care to make certain it is the most reliable, up-to-date and comprehensive information available.

If a leader can not trust those around him/her to offer the best wisdom possible and be discreet, the manager has not chosen wisely.

By the same token, a sense of loyalty, or the desire to curry favor with the boss, should never influence the advice or opinion given. The world, alas, is already too full of fawning “yes-men and women” -- in government as well as business.

A valuable team member should always expect to be asked for an opinion and should be ready to give it when asked. The team member should intuitively understand that his/her advice should be grounded in knowledge, expertise and an understanding of the situation, not self-advancement. But team members should also realize that they may not have all the facts and not take offense if another path is chosen.

It goes without saying that asking for advice does not mean critical decisions should be made by committee. The top manager is paid to make the right decision and accept responsibility. It's prudent to keep in mind that famous sign atop President Harry Truman's Oval Office desk which simply read: “The buck stops here!”

ASKING THE RIGHT QUESTIONS AT THE RIGHT TIME

In any business, there are areas where subordinates may be better informed than the man or woman at the top. Failing to exploit this knowledge often reflects a short-sighted, egotistical personality. Unfortunately, such leaders still exist.

What can one say about disengaged corporate chieftains like the former heads of Enron and Worldcom, who claimed total ignorance about dubious activities that ultimately derailed their respective giant companies and involved them both in criminal trials?

For worthier role models, one might better look to the aforementioned Bob McDermott or Herb Kelleher, the just-retired, much-admired head of legendary Southwest Airlines, still flying high and nicely profitable in an industry that is otherwise seriously ailing. Kelleher solicited the opinions of even entry-level employees. Asked recently by a journalist about the secret of Southwest's success, Kelleher replied: "Well, we don't treat our people like cogs in a machine. We treat them like fellow human beings and also value their opinions."

Anyone can have a unique -- and valuable -- perspective on a given problem or opportunity and no one in the corner office can know in advance all of those varying opinions without asking questions. Perhaps one of the most important tasks that a wise CEO undertakes is to ask the right questions at the right time.

SIX PERSPECTIVES ON SEEKING ADVICE

The manager, undertaking a new challenge, should keep in mind six basic elements in soliciting counsel:

1. Nearly everyone with a thorough grounding on an issue is pleased to be asked for an opinion. Knowing this is a possibility keeps an employee alert, interested, well-informed and motivated.
2. The problem or challenge should be carefully and properly defined and presented with enough specifics to solicit helpful points.
3. The individual being asked for an opinion should not be thinking: "Am I expected to echo the boss and give lip service to his/her point of view?"
4. Past is often prologue. If an employee's opinion has been sought and his/her thoughts (assuming they are serious and legitimate) ridiculed, ignored, or rudely discounted, that person is likely to keep future opinions, even when on-point and valuable, private.
5. Soliciting advice should not be used as a way to reward or punish employees. The most effective executives are constant and do not use guile as a tool.
6. A modicum of appropriate praise is often a reward sufficient unto itself. A well-timed "thank you" for thoughtful advice goes a long way -- even in an era when bonuses may be less than robust.

AFTERWORD

We hope that you found this statement about the power of “four little words” relevant and potentially helpful. In these turbulent times, sometimes the simplest “back to basics” provides the best route to survival and success.

We, at The Dilenschneider Group, are honored to have the trust and confidence of some of the world’s best-known and admired companies, institutions and organizations, here and abroad. In the 18-year history of the Firm, we have found that the vast majority of today’s executive officers are unparalleled in their search for effective leadership strategies.

It is our belief that today’s most successful executives, who have built their teams wisely, do not think twice about asking subordinates: “What do you think?” They understand that such a question is not a sign of weakness or insecurity, but a tool to make their own performance and that of their company better.

As always, we are eager to hear from you and what strategies you have found most helpful -- ideas that can be passed on to others coping with the same dilemmas.

Even if the current financial maelstrom deepens the cyclical downturn, we remain confident that the future of the economy is strong and that, through the sharing of expertise, business leaders will meet its challenges.

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