

Today we're talking about managing people, which is probably not something that you ever even thought of or think too much about. One of the themes of the night here is that whether you're a good manager or a bad manager, there are many people that won't care, and most people don't even think about managing. You look through my background here, doesn't look like managing. I did go get an MBA at Columbia but I should have taken some-- I don't think I ever took any-- I took some management courses, not really much there. It was really more about finance and operations management.

My undergrad was in Marine Engineering at the SUNY Maritime College in the Bronx and then I was an officer on Exxon tankers-- there's a hand out right over there-- which wasn't really management. Didn't really think about management at that time there. I went back and got an MBA because my career was kind of sliding sideways. Just decided, all the guys that had done really well at Exxon had MBAs, so I figured, well, I guess I'll go get an MBA.

Originally, I wanted to get a master's in engineering, but that was years before. So anyway, I went to Solomon Brothers. I got hired with Solomon Brothers, in a group that was sort of between IT and our business there, to put together-- as we were developing systems and that group kind of devolved into managers, or people going onto the projects directly, over time there, and they made me the manager of one of the projects.

I did not have a lot of IT background at that time. I had taken a Fortran course, undergrad. I was pretty good with spreadsheets at the time there. We're talking 1986, so-- but all of the sudden I had a group. They said, well, you're the manager of the group, and I had people that I had to do their reviews and talk about compensation and things like that. And slowly, I got better at it, over time and began to develop an appreciation for it. And I hope that what we talk about tonight may develop an appreciation for you.

How many of you are managing people right now in a job you happen to be in? Where are you?

I work for Emerson Electric Company, the software they have for pharmaceutical manufacturing and oil and gas [INAUDIBLE]. I manage support.

Oh, excellent. How many people do you have?

I directly manage 14 and I have another 10 in Manila.

Oh, excellent. Have you been to Manila to see them?

Yes, I have.

Oh, great. Must be a long trip.

It's a very long trip.

Yeah. Excellent. Another person was saying they were managing? What kind of firm or--

I work for Bank of America.

Okay.

[INAUDIBLE] development manager. I have four or so onsite and 10 or so offshore.

Oh, excellent. And is this an office locally here?

No, my team is spread out all over.

Oh. Where's your office?

My office is right behind Apple in [INAUDIBLE].

Bank of America was my first client that actually signed up-- what is that? Thank you. I go into-- what is it? One-- what's the part? One?

[INAUDIBLE]

What's that?

[INAUDIBLE]

Oh, no, no. I'm talking about up in New York.

[INAUDIBLE] One Bryant Park?

One Bryant Park, yeah. I'm in that building. Was I there? In fact, I actually have a couple different clients in that same building. Excellent. And so how many people is it in total?

About 14 people.

40 people?

14.

Oh, 14.

Four off-site and 10 on.

Ah, OK. And where are they offshore?

Spread out across India.

Oh, all right. Have you met them all?

No.

Oh, have you met any of them?

Honestly, no.

I'm just wondering. This is fascinating stuff to me.

Honestly, I only meet everybody when they come to California for meetings. But offshore, I [INAUDIBLE]

Oh, OK. Who else is managing people here? Did someone else say it? We're here. Who wants to be a manager, long term? That's not bad. That's not bad. I'm getting close to half here. Who knows that they do not want to manage people? It's OK. This is OK to admit it.

[LAUGHTER]

They don't know that. Oh, OK. Who here never even thought about before tonight? Well, at least you've thought about it, there. I had never really thought about it. I went to a course at Exxon where they were teaching us about management there, even though we really weren't managing people on the ships there. I was at Solomon Brothers, and we were doing systems up in New York, and they started a Tampa office. They moved our middle and back office operations areas here to Tampa in 1992.

And I came down to start the IT group-- well, really to start the application development group here in Tampa. We already had a desktop support group here at that time. So we began hiring people. We went to the career fairs at each of the schools and that sort of thing, and we hired a number of people there, and built up a group of about 75 people. Then firm ended up bought and the only opportunity to stay with the firm was to go up to New York at that time. But they later merged with Citigroup and because Citi had the office over here off 75, that was there.

But I had decided at that time to start a company doing what I was doing inside the company. My primary support had always been from mortgage backed securities. So these are mortgage backed bonds issued by Ginnie Mae, Fannie Mae, and Freddie Mac. And 20 years ago, nobody had ever heard of them. Now they're in the news every

day, and there's craziness associated with them. So it's been a fun ride. I've been supporting them since 1986.

I run a group of a half dozen people whom worked with me at Salomon Brothers. We all work at home. We all work from home. And I'm the one that goes around and visits people at-- visits clients and all that. So I was in New York last week, visiting a number of existing new clients, that sort of thing.

So we're an IT group. We're programming in Java, PHP. We use Active Server Pages, or .NET, on-- for our database. And Microsoft SQL Server is our database.

But we have a bunch of clients, around Wall Street and on the buy side, who have our database. And so we provide-- we get data from the agencies. We turn it into database formats.

And we send it around. We do all kinds of calculations on it. And we send it around to firms who use it in a variety of environments, so in Unix environments, Linux environments, on various things like Oracle, Sybase, Microsoft SQL Server, MySQL, and, I think, Postgres are all the ones that we're supporting in different environments there.

So got a handout right there. And so anyway, that's the group as it is now. I'm only managing six people and not really managing them all that well. They actually are all quite experienced. Most of them have worked with me since the early '90s. And so the group has fairly well delineated responsibilities there.

But I still think back on the days when I was managing up to 75 people and some of the work they did with that.

At one time, actually, I was an adjunct here, at USF. I was teaching on Wednesday or Thursday nights-- basically teaching one night a week. I was teaching a database programming and design course. And so with that, and with the-- I've been sort of friend of the university's since the early '90s. And I'm always happy to help AI out. And so I tend to come in and talk about managing people, as part of that.

I'd really like this to be an interactive session. I'd like you to jump in, at any point. I should probably pass that-- what did I do? Oh, I left it over there. So when you guys talk about me, it's going to be on the tape, there, I guess.

So anyway, that's my background with it. But one of the themes of the night is that I think people go into things-- areas that are more technical, and then become managers, all of a sudden, one day, because they're sort of the last programmer standing. That's kind of the reason why I got promoted.

They're like, who's out there still? Who has not quit? Who has not gone down to try to get a job on the trading desk? Who has not-- well, Larry's still out there. He must be the manager of the group. So it's-- you know, that's going to happen.

A lot of times, you will find that companies promote the best doer, not the best manager. They promote somebody

who really knows how to do it, there. So they're trying to take that person's hands off the keyboard and have that person transfer that knowledge. That's the idea. Right? You're then going to teach others there.

But usually, the people they choose for that-- if you've been doing it, usually you want to continue to do it. It's one of the big problems that you run into. And has anyone here had a manager who really just likes doing the job, and you go in there, and they're doing the programming, and they're doing the this and that? They don't really do it? Yeah. You kind of run into that situation, there.

And it's something I had to-- I had to come away from. And you begin to learn that the people who work for you can do a better job with it than you can. They really can-- if you concentrate more on the managing of people and they concentrate more on the systems, themselves, there.

So the question I had here is, what do organizations need? They need a recognized brand. They need to be number one or number two, size-wise, in their market. That's what corporations like. They like to have a return on equity of greater than 20%. They like to have growth.

As it turns out-- I mean, actually, who says that? If anybody's ever read anything by Jack Welch-- Jack Welch, in all of his-- in his books, is always, basically, saying this. The only companies that are going to do well are the top couple in market, or whatever.

I think people actually need the same thing because I think you want to be recognized for the work that you're doing. There's the recognized brand. You want to be number one or two, size-wise. You want to be one of the top people in your group.

You want your comp-- your compensation to grow. What did I say? Compensation? You're going to have to edit that.

You want your compensation to be growing, over time. And you want to have continual growth. You want to have continual challenges. Everybody wants that. That's the kind of job that we're always looking for, there.

And so what I'm saying is that I think a manager's job is to recognize that, here's what the organization needs, and here's what people need. People are trying to grow their career, be recognized, get paid more, be valuable at their company, there. And the company has this set of needs, there. And you're trying to put the two things together.

The good news is I think it's doable. The bad news is upper management may never care. I'm not sure that my boss, who was in New York, really cared whether I was a good manager or not. He was looking for results. Everybody's looking for results.

Is the project in? How did it go? What did the users think? Those are the important things-- not, how are you helping people's careers get better, and all of that. That part of it is never something I think anyone's ever going to ask about.

The good news about that bad news is that it's actually good for the company. If people's careers are moving along, and they have opportunities there, they're going to stay with that company. And ultimately, it's good for your career.

So I wanted to talk about a number of approaches to management that different people have gone through, over time. One of them is Stephen Covey's *Seven Habits* book. Has anyone here read that book? Yeah. A number of you. Yeah.

I think he's got an interesting analysis, here. It's got like four quadrants on it. And what I think is interesting is that the first person that needs to be managed, actually, is yourself. And you may be the worst person to try and manage, there.

And so one question I kind of want to-- I always like to sort of take polls of the class, there. One question I want to ask is, is there anyone in here who, at the beginning of the week, writes out a list of things that they want to get done that week, kind of keeps track of it throughout the week, there? And-- wow. Yeah. Excellent.

And then, so you've written down what you want to get done that week. So by doing that, then you've figured out what's important and what's not. On Wednesday, when I come along with something that I think is really important, and I come up to you, you have a reason to be able to say something other than, oh, well, let's try to get that done.

Yeah.

You could come back and say, oh, you know, I don't know where I'm going to fit it in with these other things, there. You know? But that's--

I would say that priority doesn't change on an hourly, or daily basis.

It certainly does. Yeah.

I mean--

That may be something better.

It'll still get old.

Yeah. Yeah.

But I'm not updating the list constantly, either.

Yeah. In fact, you're making a list that's actually pretty good. Yeah. Did you make one of them too?

Mhm.

Yeah? Excellent. Now, when someone wants to put-- add something to that list, do you ever let them add, or do you--

I usually don't add to it.

Yeah.

I may forget where I put the list, but the fact that I wrote it down--

Oh, that's good. You went through the-- yeah. You went through the exercise--

I wrote it down.

--of doing that.

Yeah.

No, that's-- that's actually excellent. Yeah. I'm kind of the same way. I make the list, and then I ignore the list. And it's really not the right way to do it. But this is what happens there.

He's got these four quadrants there. He looks at the things in life, there, as urgent and not urgent, along one set of axes. And on the other set of axes, importance and non-importance.

And so, within these quadrants of-- we see the various personalities of people we've met in our lifetimes, managers there. The quadrant one is the do or die one. Has anyone here had a manager where everything is a crisis, and they're running around like crazy? You had a manager like that?

Everything's important. You're producing thing, getting things done here. One of the reasons why it's do or die, in some cases, is because you procrastinated before.

There was sort of a lack of prevention, sort of a lack of planning. And so things got a little crazy, as the deadline approached, there. But that's kind of the do or die quadrant.

What Stephen Covey suggests is to stay in the quadrant two, which the quadrant of quality, which he calls it there, in which you're concentrating on things that are not urgent but, indeed, are important. And really, what that's all about is doing things a little bit more advanced, then sort of just meeting the crises of the day.

But he says that within that is preparation, prevention, values clarification, planning, relationship building, empowerment. And he says here, time spent here increases our ability to do. Ignoring it increases quadrant one because things are going to go from not urgent to urgent if they're not looked at early on, there. And he's saying, spending time here shrinks quadrant one.

So kind of amazed. It's an interesting way to think about that and to think about your preparation planning. If you looked at it on Monday and decided, I think these are the things that are important there, that's kind of a quadrant two kind of activity.

And so you're kind of looking at that. And then, when someone comes up with something that's last minute, there, you could probably-- you have a reason to say, you know, yeah, but these are the things that we're really concentrating on, and how do you feel like those things fit in? And of course, the person who comes up you won't care about those at all.

I do remember a meeting with a-- our head of mortgage research, who-- I decided to try this on him. We were at a meeting. We went through a bunch of things. We had to do, maybe, three or four things he was looking for before we met with him again, the next week.

And so I said to him, how would you prioritize them? Do you think one of them's more important than the other? Would you order them at all?

And he said, no, I want them all done by next week. It didn't work all that well.

So one of the problems is that when your customer is not following these things, it's very difficult. It's more difficult for you to.

The other quadrants, of things that are not important here, will look familiar. But it says, quadrant three-- things are the urgent but not important-- interruptions, phone calls.

Anyway, Stephen Covey is really talking about more managing of yourself than anything else, there, and how you conduct yourself throughout the week, there. And he's got observations here, to spend time in quadrant two, and that time spent there subtracts from the other quadrants.

And down below, he's got prescriptive, like we talked about before, here, organizing your weekly schedule to

prioritize these activities, clarifying your mission and goals and what you're really trying to achieve, as a company and then as a support area of that company, and listing your roles that you have in life, there, and how you're doing on each of those. And it's not just work related but personal ones, as well. And then to review it some, and not to lose it or ignore it. I was more the ignoring.

Has anyone here ever taken a psych course, in which you went through Maslow's Hierarchy of Needs? Any psychology majors in the room?

[INAUDIBLE].

In the organiz-- yeah. Organizational behavior. Yup. I think I'm interested in these things because my father was a psychologist. My brother is a psychologist, there. I kind of fell far from the tree with IT.

But Maslow's Needs Hierarchies kind of say that there are base needs, and until those are met, you really cannot get up to some of your higher level needs, there. And also, says that you also can sort of tumble back down those very, very quickly in your life. And as a manager, I've got some observations about that.

But he says that at the beginning, the base need is sort of physiological and safety needs and things like that. So that's shelter and food and safety. And you think, well, everybody has that-- why would you talk about that? No, they may not always have that.

A member of my development group, back in-- well, when I was at Salomon Brothers, in my early management days-- got mugged, sort of, at a bus stop in Queens. She was stepping off the bus. And a guy came up and grabbed her purse and took off with it, there.

And so she came into work the next day, and she was just a mess. I couldn't tell what was going on. And then I went up to her and said, is everything OK? Because she just did not seem focused at all.

And she told me the story about her purse getting grabbed. And it was just-- almost got knocked over. Not quite.

And I realized, at that point, well, she's sitting in her cubicle, here. I don't need everybody around hearing this story, there. So I brought her into my manager's office.

I was at a cubicle, but as a project manager, you didn't have your own office. You were just sort of at the end of the cubicle. You know that deal? He's closest to the window. He must have some-- but anyway.

So anyway, we brought her to my manager's office, there, and she was just sort of telling a story. And then we finally did have her go down and see HR, just to talk through it, there. But she's a Chinese woman who was working for us, there.

One of the things we asked her was, what-- did you give a police report? And she said, yeah, but the guy was hard to describe. And she looked at my manager and I, which, we looked kind of similar, and said, you guys all look the same.

And so he and I are now looking at each other, realizing, uh, oh. Well, I mean, she's not saying it to be funny. She's saying it in an upset way. And she's really upset.

And it was really at that point I said, let's go down to HR. Hopefully, going down to HR, we can sort of talk through that. So you don't know what's going to happen.

And one of the things that I think is kind of true-- I heard it in a management course, at one point-- was that if you ever have an employee who gets hurt unexpectedly-- oh, I twisted my ankle and did something there-- it's kind of a good idea to ask them how things are going in their life because if they're greatly distracted, when we're greatly distracted is when we can have small accidents take place and that sort of thing. And so when you do have someone who has an issue of that of some sort, it's just a good idea just to talk to them a little bit.

I'm not saying be all over their life, there, because there is really-- your employees do not need to speak with you about things going on in their personal life. But very often, they will open up about those things. And some of those things are instructive as to knowing what's going on with them.

But once those sort of needs-- physiological, safety needs-- are met, belongingness, sort of things that knowing that they're a part of the group, there, then we get up to sort of higher esteem needs, there. And all of these ones north of that are very much about being recognized for what you do.

And so when a person starts in a group, very often, they are sort of a junior member of a group. And they will-- it's very, very important for another member of that group to sort of mentor them. And that doesn't have to be you, as the manager, but it has to be someone who does work with them somewhat and sort of guides them along-- guides them along a path.

And eventually, that person will not be trying to figure out, how do I program-- how do I write this next program, and that sort of stuff. They'll be coming up to you, saying, oh, I'd like to give a paper at a conference, or something like that. And when somebody says that to you, you know where they are. They're way up here. They want to be recognized by the rest of their industry, by-- recognized within their company.

And I had an opportunity, at Salomon Brothers, to teach bond math and attributes of securities, there-- attributes of securities that we were trading. I was teaching it to people who were new with the firm, there. And that was great. It got me recognition around. And I really enjoyed it. It's just something that's sort of separate from your job

but something that you're also recognized for.

And then people will want to do that at conferences, at technical conferences and things like that. I guess that's where AI is now. He's probably-- is he giving a paper? You don't know what he's doing there. We don't know what he's doing in Germany.

But anyway, that's the sort of thing that you, then, look for as one of the higher things in your career. You're around the world, delivering papers, there, and at conferences.

So Abraham Maslow's Hierarchy of Needs is very interesting to look at because a person could be way up there, and then some little thing, like stepping off a bus in Queens, all of a sudden, brings them right back down, to the bottom, there. And they will still try to come to work, the next day. But they may need some of your help that day. So it's something to watch out for.

I've got a link here, with-- has anyone seen anything by Daniel Pink before? He's an interesting guy. Let me go to--

[VIDEO PLAYBACK]

-Our motivations are unbelievably interesting. I've been working in this for a few years, and I just find the topic still so amazingly engaging and interesting. So I want to tell you about that. The science is really surprising. The science is a little bit freaky.

We are not as endlessly manipulable and predictable as you would think. There's a whole set of unbelievably interesting studies. I'm going to give you two that call into question this idea that if you reward something, you get more than you did if you weren't. If you punish something you get less. So let's talk. Let's go from London to the mean streets of Cambridge, Massachusetts in the northeastern part of the United States. And let's talk about a study done at MIT, Massachusetts Institute of Technology.

Here's what they did. They took a whole group of students and they gave them a set of challenges-- things like memorizing strings of digits, solving word puzzles, other kinds of spatial puzzles, even physical tasks like throwing a ball through a hoop. They gave them these challenges and they said to incentivize their performance, they gave them three levels of rewards. So if you did pretty well, you got a small monetary reward. If you did medium well, you got a medium monetary reward. And if you did really well, if you were one of the top performers, you got a large cash prize.

We've seen this movie before. This is essentially a typical motivation scheme within organizations. We reward the very top performers, we ignore the low performers and the other folks that come in the middle, get a little bit. So

what happens? They do the test, they have these incentives. Here's what they found out. One, as long as the task involved only mechanical skill, bonuses worked as they would be expected. They higher the pay, the better the performance. That makes sense. But here's what happened.

But once the task called for even rudimentary cognitive skill, a larger reward led to poorer performance. Now, this is strange. A larger reward led to poorer performance. How can that possibly be?

Now, what's interesting about this is that these folks here who did this are all economists-- two at MIT, one at the University of Chicago, one at Carnegie Mellon-- the tier of the economics profession. And they're reaching this conclusion that seems contrary what a lot of us learned in economics which is that a higher level reward, the better the performance. And they're saying, that once you get above rudimentary cognitive skill, it's the other way around.

The idea that these rewards don't work that way seems vaguely left-weighted socialist, doesn't it? It's kind of this weird socialist conspiracy. For those of you who have those conspiracy theories, I want to point out that the notoriously left-winged socialist group that financed their research, the Federal Reserve Bank. So this is the mainstream of the mainstream coming to a conclusion that's quite surprising. It seems to defy the laws of behavioral physics.

So this is strange, a strange finding. So what do they do? They say this is freaky, let's go test it somewhere else. Maybe that \$50 or \$60 prize isn't sufficiently motivating for MIT. Let's go to a place where \$50 is actually more significant relatively. So we'll take the experiment and we're going to go to Madurai, India, rural India where \$50, \$60-- whatever the number was-- is actually a significant sum of money.

So they replicated the experiment in India roughly as follows, small rewards were the equivalent of two weeks' salary, the small performance, low performance was two weeks' salary, medium performance about a month's salary, high performance was about two months' salary. So there's a real good incentive. So you're going to get a different result here.

Well, what happened, though, was that the people offered the medium reward did no better than the people offered the small reward. But this time around, the people offered the top reward, they did worst of all. Higher incentive led to worse performance. What's interesting about this is that it isn't all that anomalous. This has been replicated over and over and over again by technologists, by sociologists, and by economists over and over and over again. For simple straight forward tasks, those kinds of incentives if you do this, then you get that-- they're great. For tasks that are algorithmic, or a set of rule where you have to just follow along and get a right answer, if/then rewards, carrots and sticks, outstanding. But when the task is more complicated, when it requires some conceptual creative thinking, those kinds of motivators demonstrably don't work.

Fact, money is a motivator at work, but in a slightly strange way. If you don't pay people enough, they won't be motivated. What's curious about this is there's another paradox here. The best use of money as a motivator is to pay people enough to take the issue of money off the table, to pay people enough so that they're not thinking about money and they're thinking about work.

Now, once you do that, it turns out there's three factors that the science shows lead to better performance, not to mention personal satisfaction-- autonomy, mastery and purpose. Autonomy is our desire to be self-directed, to direct our own lives. Now, in many ways, traditional notions of management run foul of that. Management is great if you want compliance. But if you want engagement which is what we want in the workforce today as people are doing more complicated, sophisticated things, self-direction is better.

Let me give you some examples of almost radical forms of self-direction in work-life that's made some good results. Let's start with this company right here, Atlassian, an Australian Company. It's a software company and they do something really cool. Once a quarter on a Thursday afternoon, they say to their developers for the next 24 hours you can work on anything you want. You can work on it the way that you want. You can work on it with whomever you want. All we ask is that you show the results to the company at the end of the 24 hours in this fun kind of meeting-- not a star chamber of session, but this fun meeting with beer and cake and fun and other things like that.

It turns out that that one day of pure, undiluted autonomy had led to a whole array of fixes for business software, a whole array of ideas for new products that otherwise would never have emerged-- one day. Now, this is not an if-then incentive. This is not the sort of thing that I would have done four years ago before I knew this research. I would have said if you want people to be creative and innovative, give them a fucking innovation bonus. If you do something cool, I'll give you \$2,500. They're not doing this at all. They're essentially saying you probably want to do something interesting. Let me just get out of your way. One day of autonomy produces things that would never have emerged.

Now, let's talk about mastery. Master is our urge to get better at stuff. We like to get better at stuff. This is why people play musical instruments on the weekend. You have all these people who are acting ways that seem irrational economically. They play musical instruments on weekends, why? It's not going to get them a mate. It's not going to make them any money. Why are they doing it? Because it's fun. Because you get better at it, and that's satisfying.

Go back in time a little bit. I imagine this if I went to my first technology professor, a woman named Mary Alice Schulman, and I went to her in 1983 and said Professor Schulman, I need to talk to you after class for a moment. I've got this inkling. I've got this idea for a business model. I just want to run it past you. Here's how it would work.

You get a bunch of people around the world who do highly-skilled work but they're willing to do it for free and volunteer their time-- 20, sometimes 30 hours a week. OK, I see, looking at you, some of you are skeptical there. Oh, but I'm not done. And what they create, they give it away rather than sell it. It's going to be huge. She truly would have thought I was insane. It seemed to fly in the face of some of your thinking.

What do you have? You have minutes, power range, one out of four corporate servers in Fortune-500 companies, Apache powering more than the majority of web servers of Wikipedia. What's going on? What are people doing this? Why are these people, many of whom are technically sophisticated, highly-skilled people who have jobs. They have jobs. They're working at jobs for pay doing sophisticated, technological work. And yet, they're on their limited discretionary time, they do equally if not more technically sophisticated work, not for their employer, but for someone else for free. That's a strange economic behavior.

Economists have looked into it. Why are they doing this? It's overwhelmingly clear, challenge and mastery along with man-made contributions. That's it. What you see more and more is the rise of what you might call the purpose motive, is that more and more organizations want to have some kind of transcendent purpose, partly because it makes coming to work better, partly because that they way to get better talent.

And what we're seeing now is, in some ways, when the profit motive becomes unmoored from the purpose motive, bad things happen-- bad things ethically sometimes, but also bad things, just not good stuff, like crappy products, like lame services, uninspiring places to work. When the profit motive is paramount, or when it becomes completely unhitched from the purpose motive, people don't do great things. More and more organizations are realizing this and disturbing the categories between what's profit and what's purpose. And I think that actually heralds something interesting. I think that companies and organization that are flourishing-- whether they're non-profit, for profit or somewhere in between-- are animated by this purpose.

Let me give you a couple of examples. Here's the founder of Skype. He says our goal is to be disruptive but in the cause of making the world a better place. That's a pretty good purpose. Here's Steve Jobs. I want to put a ding in the universe. That's the kind of thing that might get you up in morning racing to go to work. So I think that you are purpose maximizers, not only profit maximizers. I think the science shows that we care about mastery very, very easily. And the science shows that we want to be self-directed. And I think that the big take-away here is that if we start treating people like people and not assuming that they're simply horses-- slower, smaller, better smelling horses-- if we get past this ideology of carrots and sticks and look at the science, I think we can actually build organizations and work-lives that make us better off. But I also think they have the promise to make our world just a little bit better.

[END PLAYBACK]

When I started managing in 1986, there really wasn't an internet or anything like that. People just came to work they had a book they looked at and learned how to program from that. They went to courses and there's that sort of stuff they learned from each other. And the years past, and we were getting into Unix development. And we had a group come in that was helping us get into Unix, was consulting with us there. And I began to learn about these people that they worked differently and that their lives were different. And that they were doing things like Daniel Pink is talking about here-- at nighttime, answering questions about how to do things online and all that stuff. And it was that was fascinating that they would spend time doing that. It's exactly the situation here.

I had a guy who worked for me for about 10 minutes. He got transferred from another group into my group, but he wasn't in IT. He was working directly for the business and then he decided that I don't want to be in IT there. He went and worked for another firm there. And I ran into him at another firm I was working at later on. He was over at Bear Stearns. I was like yo, how are you doing there? He goes yeah, didn't I work for you. I said until the ink on your resume dried there and off you went. I said what are you doing. So he told me about what he was doing.

He said but here's what I'm really doing. He says I'm Perl DB. So within the Perl programming language, which is another one of these open systems languages, he was the one that had done much of the development on the database module for Perl. And so that's what he was most proud of. He was so proud of that. And that's nothing. There's no paycheck from that. But I think most of you can realize the recognition that he got from that-- I don't if there were Perl conferences, there's probably some sort of conferences. But the sort of worldwide recognition that you can get from that, that's something that's completely different. That didn't exist before. So now, you'll find that people working with you will have these sorts of things that they're sort of doing separately there. And it's fascinating and they can learn that way.

It's interesting that people don't have to wait to take a course anymore to learn how to do something. I took a Java course in Java program course way back when. My claim to fame was a Fahrenheit to Celsius converter or something like that. But now, you look online and you get examples of things and all that sort of stuff there. That's how so many people learn all these different technologies.

I think it's interesting to Daniel in this says we need to-- and something I sort of left out that's important is that you are managing people, managing professionals for whom it's interesting to hear what he's saying about that-- That money may not be a motivator. But he says it's not a motivator as long as you pay people enough to take money off the table. So I have to ask a really practical question, how much do you have to pay someone to take money off the table? I'm just saying throw it out.

Organizational behavior, I think it was just above the average minimum wage. So I think it was like Tampa median [INAUDIBLE] was \$60,000 to \$70,000. The numbers were really close. There was a cut-off. People didn't care if

they made over \$70K in the United States.

Yeah.

But 70 was pretty much it.

So about \$70,000 there sort of takes money off the table. So you're not really thinking about oh, can I afford my life and all that sort of thing there. And of course, if you have two people's incomes in your home there, that would be then what-- 140, right? Somewhere around 120, 140 there.

Is that to say that no one's ever left a job for more money above \$70,000.

That's not about this.

I don't think so. And this is the question. This is the conversation. Go ahead.

Well, I've seen a similar study where it's just people didn't have-- there wasn't additional joy gained from money above \$75,000. So it's not to say that it isn't a motivator for people to change jobs above that point. It's just that that was the cut-off where people found the most happiness bang for their buck was around the \$75,000.

He's up to 75. He's got it at 60, 70, 75. Do I hear 80?

Yeah, exactly.

What's that?

Cost of living adjustment.

Yeah, the latest cost of living adjustment. That makes sense there. I think that part is kind of hard to know. And I think that can change at any time there. I mean Jamie Dimon runs JP Morgan Chase, a client of mine there. I think his salary is probably over the 70,000 that we're talking about-- probably over that.

Now, is money a motivator? I think that there's a little bit of comparisons that we all do. You say well, you know, but this guy. You hear about somebody got that number or that sort of thing there.

He's probably making \$14 million at least.

\$14 million? I don't know. Yeah, I think-- was he the one that just got?

He just got \$40 million.

Yeah, \$40 million. We were paying our desk traders a percentage of the profits of the ARB desk. And so one guy in the '80s, didn't he hit \$33 million the one year? I mean it was just like incredible. But that was the deal that they had struck for that. I'm not sure what they did in years in which they may not have made money. I'm not sure what they did. But certainly, I guess that was a motivator for them, but it is interesting. I think there is.

I mean I do believe he's right. I think that's right. I don't know what the number is. And of course everyone's life is changing there. If I'm a single living alone, do I think differently than if I'm married with two daughters? I was married with two daughters. It depends on whether a spouse works or not or that sort of thing. So I don't know where the number is, but I do understand what he means by this.

It does sort of mean that if I'm paying somebody, if I'm paying this guy-- how much am I paying you, 120-- that my going up to him and saying I really need you to stay late and do this project better there. And I think I can get you 140 this year versus the 120, I think if we get this to go in. It might mean that it might not be the biggest motivator. But if he knew that this is something that's really important to the company, that the purpose of our company is something and he knew what his role that was and that he would be known throughout the company as someone who really had been a part of that, then that's key.

But the thing is, he's working at his desk. He's in a cubicle. How's he going to go tell everybody? Well, there are some people that are very good at getting around, telling everybody everything they've done for the company. There are some people that are very good self-promoters. I was a lousy self-promoter. I had to wait for people to quit, then I'd get their job and keep moving up.

That's where you come in as a manager. You can help that by spreading around what that person is doing there. My boss used to come from New York. And he would give a talk to the group about everything, things that were going on in New York there. He'd visit at times and afterwards he'd say I know what you want to do now, you want me to walk around with you and you're going to walk around all your people, and each of them is going to tell me what they're doing. And he says, I really don't like that. I know this is on tape. I really don't like doing that. But afterwards, I feel good about it.

So it's like one of these bang your head against the wall things there. Because at the end of that getting around, each person had spoken to our head of technology. When do you ever talk to that person and talk about what you're doing there. He actually had a pretty good memory so he could remember those things there. So actually I think it did have some importance to him. It's just a difficult thing to do when you go around and talk with each person. It requires a real level of concentration.

It's like when I go and see a lot of clients in the same day in New York there. At the end of the day, I'm tired of smiling. You're like ugh, but there's something to that. But you as a manager is the person that can bring that out,

that can elevate and let people know something that sort of fits the purpose of this company there is being done by members of your group and so very, very important there.

I've got a sticky on my monitor in my office at my house that has just the three words autonomy, mastery, and purpose. I would like to think that it guides my life more than it does there. But anyway, I do think it's very important. It's fascinating. To me, nothing fascinates me more than people who are willing to do something for no pay. The reality is they are getting paid, aren't they? They're getting paid by something that they value more than money. They're getting paid by recognition and recognition throughout the world, which is fascinating.

When I think about that from an early 1980s mindset, you just couldn't think about it, about that information getting served all around the world there. I heard somebody-- was it a comedian saying recently on Star Trek-- they were like Star Trek's like supposed to be way in the future there. Those communicators, they should've been able to talk to anybody in the universe from that thing. And they were using them like a walkie-talkie just to talk down to the planet that they were visiting or something like that. So I'm not sure that it's always the case.

Has anyone ever met Ken Blanchard or seen him or seen him speak or heard that name or read anything by him? He's an interesting guy because he's very prescriptive about management. He's got a series of books and gives seminars and things like that. Ken's first book is the *One Minute Manager* and he reduces management to a fairly simple, fairly prescriptive listing of activities. So he has within that, he's saying most of the things you can do are sort of one minute in nature there-- one minute goal setting, agree on simply written goals with each employee. So it really means about each person that's working in your group there, have that person write down what they think their goals are-- both sort of professionally and project-oriented-- and sit with them and go over with them. And see if you agree with them and make changes to them. And then say OK, these are the things that I want to evaluate you on as we do our evaluations overtime there.

As a part of that, as work is going on there, giving one minute praisings-- he was talking about catching people doing something right. And also one minute reprimands-- direct them towards employees actions and how they don't relate to their goals. And so if you know what, if you agreed on a set of goals and you're seeing something that someone was doing that that's fitting with that, you have something to go back to and talk with them about.

Now, one thing about praising is that it's good to-- he would say it's good praise in public and reprimand in private. But what you don't want to do, let me add to that. You don't want to always be praising the same people, because then it starts to show favoritism. And so the idea of catching people doing something right and having a public praising is a good idea.

I used to have a weekly staff meeting back at Solomon Brothers there. And we would just talk about what people were doing in different groups there. People would all talk about it and they had an idea of what each other were

working on and stuff like that. And so the praisings kind of come from that. At those, I would talk about conversations I'd had with our users, with our users' management, about how things were helping the business and what had gone on in the previous week, which I think helped a great deal.

Ken also has this concept of the inverted pyramid. Because like when you see an org chart-- and I'm turning around here and not seeing a marker here. Ah, here's a marker. Is this one of the markers? Let's make sure this is one of the-- it's dry erase, excellent. When you see a typical org chart, you see the manager of the group. And of course this not working at all, is it?

I have one.

Oh, you do?

Yeah.

Oh, excellent. You bring that everywhere with you?

Actually, yeah.

What else have you got in that bag?

[LAUGHTER]

A lot of stuff. If my battery's dead in the parking lot, I get his jumper cables. Thank you. So a typical org chart, you know you've got the guy who runs the group there and has a-- guy or woman-- has a set of people work for them, et cetera. And you go all the way down to the people that we just hired yesterday. And that's a typical org chart, and it goes down and down. And he says turn that upside down. What he's saying is that manager of the group is here. People reporting to that manager are here, going all the way up to the latest.

By the way, I'm left handed and I write with my right hand. I have no idea. Well, on dry erase, I don't seem to be able write on white boards with my left hand. There's something weird about it.

These are basically the new people in your group. And here are your users up here. I think I've added that part there. And what he's saying is that in this kind of model, you're saying OK these people support up this way. But it really should be the other way around. If I'm running the group, I should be supporting the activities of the people who work for me, and so on and so on until we get to the people that just walked in the door yesterday, that we just hired. And he's saying these are the most important people in the organization. They're the ones we need to focus on. They're the future of our organization there.

And so, one of the prescriptive suggestions I have is that when a user needs something, yeah go get an experienced person and have them bring a new person with them and go solve the problem. If I always go to this person and have them go directly to the users, that person's tired of it because they've heard it a million times. How many times have they gone over there? How many times has Vindi-- there was a Vindi-- how many times has Vindi done something incorrect on the system there? So this person is tired of that.

But if this person is actually helping this person understand what's going on and how the problem gets solved there, then there's learning going on. And then, these people are becoming more senior overtime. And so what he's really saying is that the support goes this way through the organization. Your users or your clients are the most important part there, but within the organization itself, the people that just walked in the door yesterday are your future. So that's the inverted pyramid.

Ken has a third thing, which is the situational leadership. And he saying that there's no one best leadership style. It depends on who you're talking to in your group. If you have a brand new person, your style or how you interact with that person differs there. He shows along two axes here about delegating versus directing and supporting versus delegating here, because what he's really saying is that he actually shows this diagram as a railroad track.

And that this is a new person. In S1, this is a new hire. And then the person is becoming more senior here in S2 and S3 and S4. Those are your more senior people there. With the new people, you have to be high on the directive axes and not necessarily so high on the supportive axes.

And so, you tell them exactly what they have to go and do and what they're going to find. And then, as that person becomes more senior over time there, you're more coaching them. And then going along, you're more supporting them. And then down here, you're delegating.

So this person here, I've told exactly-- a new person-- I've told them exactly what they need to do, what they're going to find. And this person here, I'm just saying hey, go take care of that. I hear there's a problem in the data set and just go take care of it.

And so it really depends. So the way I act as a manager towards the people in my group depends on what their level is in many ways there. And that's going to change over time. And the only way I can know how to act towards them is to know each one. You need to know how senior is that person, what are their interests, which ones are really interested in getting more senior in various ways there. And so that's situational leadership. It's very interesting-- so a couple of different models and Ken Blanchard.

When Ken was at downtown, I think it was the USF that brought him in and had him talking. I think it was at the Hilton downtown. I was standing there waiting to go into the room there. And Ken walks up and he starts to just

walk in. And the person who was taking the tickets there said oh, I need your ticket. He goes oh, I don't need a ticket. And she was saying oh, no, no, actually, everybody needs a ticket there.

He's going no, no and he looks at me and sees my smile and says I love doing this. He has his things there. I just took one of his books that was in a stack near the picture and showed it to the woman. She was like oh, oh sorry. This is just like some fun he gets to have at these things there. But an interesting person there. You probably see him now on some things there, some nice prescriptions about how to manage there.

I don't know if I need-- I'll give this back to you later there. And the jumper cables-- I may need those jumper cables.

There's a book by DeMarco and Lister called *Peopleware*. And it's a very interesting book because they studied 500 projects. So they probably learned a thing or two about it there.

And one of things they say is who gets promoted. We talked about this earlier doers, tends to be the best person in the group there gets promoted to be the manager there. You know what are tech doers like? They're control freaks that like to put wrappers around objects and treat them all the same. So they're probably going a little far to say that, but it's not too far from the mark in some ways. And that's one of the themes of tonight, is that people who get promoted into management positions sometimes don't want those positions and are sort of dragged kicking and screaming to them.

But they studied 500 projects and found that 15% were unsuccessful, 25% of larger. I'm surprised the numbers weren't actually bigger in terms of unsuccessful projects. And they said that the majority of failed projects were not due to technical reasons, but were more to do to people problems. It probably is not a surprise to anyone there.

And so he says what should managers do? Should they make people work? No, they should make it possible for people to work. Again, we are talking here about high level technical people. And it really makes a difference in terms of this is not necessarily true of every industry.

When Solomon Brothers was being bought and I was trying to figure out what I was going to do, I had this idea of doing the north Tampa-- what the heck was it? It's the bar restaurant that's down in Brandon, ale house. I wanted to do a North Tampa ale house. That'd be a cool thing.

A friend of mine runs a bar restaurant up in Saratoga, New York, and told me don't do that. He said you trust people. He said you would get eaten alive in that industry. He said you would have people working for you. He said you trust people to come to work each day, that they know. He said my cook goes out, gets in fights, gets arrested there, knowing that I'm going to bail him out the next day because I need a cook.

So there are different people in different industries or whatever, but you're managing high-level people. And so it's a different sort of situation. So you're really making it possible for people to work. And so they're saying spend less time doing as a manager, more time figuring out what should be done, what shouldn't be done. What are the obstacles to things getting done? Do something about them. And there are a lot of the obstacles that you'll find over time.

They talk about a longer, harder hours that destabilize people, that lead to a lot of lack of balance in their life, that become personal problems, that then turn around and become professional problems following that. And that can happen. We had a project where we had a system that was way behind that I took over.

A manager came onto the project with me who I'd known a while there and he got his group together and they solved the problems, but they worked every weekend for a long, long time and really shouldn't have. The user's had required these deadlines that really-- we really probably should've step in anyway. He did it. You would say to professionally he did a great job. He turned around a project. Yeah, everybody worked really hard, but also they didn't really get weekends for a good, long time. And it led to problems personally for them.

And his wife passed away suddenly one day. And I always felt badly about that situation there, because I was part of the reason why they were not getting along. It was probably my responsibility there. And you could say well, what can you possibly do about that. I don't know. If not something that I thought was going to come along, but it's something I still think about.

And so I do kind of realize that the people say wow, we had this project that got done and we all worked every minute of every day, or whatever for weeks and months on end. Watch out for that. Watch out that that's not often a repeatable situation there. And people will have problems in their personal lives that will lead to problems in their professional lives. So it's something that's really is something definitely to think about.

One of their suggestions is don't maximize hours at work, but rather uninterrupted hours of work. So see if you can figure out how to have people to be in their seats spending more time in that instead of endless meetings, interruptions from all kinds of things. They're suggestion that a quality budget zero dollars is a recipe for disaster, that I know is something that's near and dear to Al's heart with that.

We did a project at Solomon Brothers implementing some of Al's clean room technology there. And it worked very well. We were in our process of changing Solomon Brothers from a group of individuals project manager led groups that didn't necessarily interact with each other that much to groups that worked together more and worked across platforms. And we had more use of business analysts and a longer term view at projects and things like that.

And that's a big change. That's a big change to have in any organization. They always say what's the maturity of your technology life cycle there. And it was something that was increasing over time. What AI did when he worked with us with a project there worked out very well.

They say here Parkinson's Law that work expands to fill time available. It's not necessarily true with professionals, but there's definitely saying to allow them to do their own estimating which maximizes productivity. So how do you put this, make this work, put this into practice?

One idea that's not a good idea is to go and meet with the users yourself as the head of the group and come back and tell everyone what the deadline is. Very often-- especially when I was in the securities industry-- a lot of time there was an industry deadline, that something had to be in by a certain time there. And so actually, perhaps the date was set, but that doesn't mean that we'd decide exactly what to do for that date. And having a good relationship with your users and figuring out, OK, we're going to figure out what is the maximum amount of stuff we can deliver to you by that date to support this industry mandate-- if you go back to your group and say OK, there is a date that's out there, but we've got to figure out together what kind of functionality could deliver.

It's a lot better than saying we say we're going to do this, then this and this list. The group sits there and goes yeah, right, like we did last time or whatever. And so having your group be involved in setting either the dates and/or the functionality that will be delivered at that time is key.

You don't know what's going to be. None of us are magicians with technology. We don't know what's going to turn out to be difficult. We're always going to have a last-minute changes where there's a functionality change requested by the user, or perhaps by an industry mandate in which you're going to try and figure out later how are we going to support that. Sometimes it means something else can't get done.

But certainly having things like business analysts be a part of your development life cycle is so key because the whole idea of getting the actual business requirements to begin with there and then turning them into technical requirements as opposed to just saying well we need a screen that does this, this and this. Later on, you realize here really should have been a combination of that.

They talk some about workspace environment, offices versus cubicles. A lot of this stuff is very much about people all working together here. But we've just heard here about groups. Your group is what-- people in San Francisco and people overseas? Did I get that right?

[INAUDIBLE] in Dallas, [INAUDIBLE] and Denver.

So four different cities and then people overseas as well there. So you look at these kinds of things and you say I've never even seen their cubicle. I don't know that I ever even will, but I think it is still a function of the manager

to see whether they have the right tools and the right space and everything that they need to do their job.

AI used to have a guy come in from-- whose name escapes me at the moment-- who definitely talked about this next thing about productivity, a guy that came in from IBM who would talk about personal differences between developers. Really, we say developers here, but it really can be any of the skill sets here. But they were saying that personal differences can be as great as 10 to 1 that the best programmers are 2 and 1/2 times better than the median, and the median programs are 2 to 1 versus slower programmers, ones that are below the median there.

And it is true. It is true. You can find somebody that writes a program 10 times faster. You will find some of them. But talk to that person. You might find that that person is not willing to maintain someone else's code, is not particularly interested in what the user wants, but just says, OK what's in the spec, whatever.

So I kind of change that some. I have had developers work for me that were not the best programmers, but they were the best employees, really. They had relationships with the users there. They'd figure out what it was that they were actually looking for there. They'd go and make that change. Sometimes change wasn't always the best. But very often, they were working with someone else's code versus code that they'd developed themselves there.

And so what I really say with this is what sort of development are you doing. Are you doing a lot of new development? In that case, I want the best object-oriented design person and developers that I can get for that. But for people who are maintaining code that's been around for a good, long time, I'm not sure that's the same person. I'm not sure that person is always challenged by that.

Sometimes, the person who's best at making changes that support changes within a business over time is also the person that is in the softball league, who runs the Final Four pool, and whatever. It's like that sort of person who's there as opposed to the person who's really only sort of in tune with the technology and really wants and looks for that. I think you need both in your group, but they're really not interchangeable I don't think.

My add to this about some programmers being 10 times better than others is that I think it depends on what they're doing. Some of the developers that I've had work for me over time, that were probably the most challenged programmers, were probably loved the most by the users. They were doing the most and figuring out what that person needed and delivering it to them consistently. There's a lot of repetition in life. And there's a lot of repetition jobs there. When you have the person who has the right attitude towards it and just makes the change they needed and just keeps on going there, that's very helpful too. You needs both sides of it, both the support and maintenance.

I think the spatial would work in sort of saying the best programmers, we'd probably say experienced

programmers.

Yeah.

Because I think that works better to a point where they know to incorporate the changes with the existing code as well as new code. So I've seen the spatial work at least accurately when it comes to that-- not the best programmers, but experienced programmers.

And then the question is does the task that you have for that person, is that something that challenges them? That's going to be the situation there. Are they going to feel like they're developing the same thing over and over and over? If you have something new and a challenge, great. But don't hire that person who really needs the challenge for support and maintenance there.

People think that that's really easy stuff. That's not easy stuff there. Maintaining someone else's code-- anyone here maintain someone else's code-- is difficult. You're not sure what the person did. There are people in my group who are maintaining code that I wrote. Sometimes they come to me and say why does your comment say this, because that's not what's going on below it.

And I've found cases in which I made a change later and then didn't realize that there was a comment up above there that needed changing there. In some cases, just the incorrect comment, you just wrote it the wrong way. You're like writing the comment and you write the negative as opposed to the positive, or something like that.

It was interesting, the things that they saw that were not predictors of productivity. It didn't matter which language was used. It didn't matter years of experience after six months with a language. So that's kind of interesting-- a number of defects or salary.

The best predictors were the organization itself, in which they said some organizations are better than others. And they said aspects of organizations that had the biggest differences, the size of a dedicated workspace, how quiet it was, how private it was. Does anyone here work in an office there where they can close the door and really have quiet? I'm looking at one person, two. Oh, three. Oh, you're the guy that writes your-- this is all coming together here. And you do as well?

They let you work from home so that's the quiet.

Oh, that's the quiet place. OK. You have to do that. That's true, the place where you can escape. If it's OK to silence a phone or divert calls there and reduce the-- I think it's interesting when they talk about interruptions to state of flow and I believe this part there. They say it takes 15 minutes to get into the zone, to reach a state of flow there. So a five-minute interruption that someone stops in is really a 20-minute interruption because you have to

descend back through again. And so I think there's something to that.

And so again, what do we need to do as managers there, is just look around and recognize whether there are sources of interruption that you can do something about. And that's talking with your people about that. I think some of it is that personally based. I think some people are able to put out noise. They're able to sort of keep away from them and still concentrate, so they don't necessarily need to be an office. And other people are more and more influenced by that. Anyway, they're saying measure uninterrupted hours.

They're saying get the right people. Use relevant aptitude tests and a verbal presentation if that's a germane to the job there. How many people here have taken aptitude tests for jobs? A fair number, a fair number. Do you think the test sort of fit the job? Hm, not getting as much there.

[INAUDIBLE].

Yeah, some are not designed to be. What's the Wonderlic test, right? That's just sort of a problem solving sort of thing more so than that.

There's some tests like the Programmer Aptitude Test that's more like a GRE [INAUDIBLE] where you do math problems. But some of them are more relevant [INAUDIBLE] or SQL Server so they can bring their test to the--

I believe they really are helpful, but I think you need to watch out that that test is not also testing English as a first language if for some people in a second language. You need to watch out for that because you may have members of your crew who can be highly valuable even though their command of English is still increasing.

They're saying get the right people and make them happy, cost of turnover, lost productivity. Turn them loose. Create teams, kill teams. As you become a higher and higher level manager over time, you're managing groups of teams over time. And you're going to find that the different teams have different situations, like this side of the room is working all the new stuff there. And that when we have presentations about what we're doing with our technology, we only talk about your stuff. And you're like psyched that I put new stuff in.

And over here, everybody is working on the existing systems there. Nobody ever talks about stuff there. You have to watch out for that, because I'm the manager. I need both areas to be recognizable that they're both supporting the business. They're both very valuable in doing that.

It's very tricky too when you're supporting the systems that you're supposed to be getting rid of. And so that's kind of tricky overtime because you know the systems well and you need help from those people because they've got the systems. The systems are constantly changing and all that kind of stuff there. And so getting those groups to work together well it's a very, very tricky situation and tests you definitely as a manager.

Eventually, the new system is going to be supported by a separate team, right?

Yes, they'll throw it over the wall and then they'll make it run right. That's it. Let's take a look at some studies on employee engagement. And that's really what Daniel Pink was talking about it-- how engaged to someone at work there.

Gallup did studies of business units there and found that engagement is a leading indicator of financial performance of a company. Down here, they found in world class organizations the ratio of actively engaged to actively disengaged employees is almost 10 to 1. In an average organization, they thought it was almost two to one. And what that really means is that out of every three people, you have a person who's not particularly engaged there. And so again, what are we thinking about as a manager there. Let's go find that third person and see what's going on them. Let's talk with people that are engaged there and see why and the disengaged ones and find out why. That is a suggestion for us as managers.

Work and school, research studies said that the Fortune's 100 best companies to work for in America reported 3 and 1/2 percent higher returns than their peers. It sounds like a good reason to push that. Mercer's What's Working survey said 32% of US workers are seriously considering looking for a new job. 21% percent have no plans to leave but don't care about what they're doing. So those are the scary ones, right? I'm just here. Now But you're the manager, so you can have an effect on that. Your boss may not care that you can have an effect on that but you can. Eventually, it will work out well for you.

The Blessing White survey said only a third of US employees are fully engaged. That's interesting, the other one said and two out of three were. But they both agree in that at least one of the three are not fully engaged. What is interesting in this Blessing White survey is they put names on them-- highly engaged, 33% of employees, almost engaged, 10%, honeymooners and hamsters-- honeymooners being sort of new to the organization or working hard but in effect spinning their wheels, crash and burners who are disillusioned and potentially exhausted, disengaged.

They're saying millennials were the least engaged. Only 23% were highly engaged, 25% were disengaged. Boomers were the opposite, 36% were highly engaged. They may have also been higher in the organization, so I'm not sure that there weren't other factors at play here.

By department and function the amount of engagement at work, notice that employees in sales showed the highest engagement. Anybody have any idea why an employee in sales would have high engagement?

Commission.

Yeah, you work on commission.

They also have a clear purpose.

There's a purpose. But wait a minute, they're making over \$70,000 already. But you know what, it's fun as a sales person. I'm the salesperson for our company I guess. And what's more fun than going visiting and getting a new client there? And so it's not just all about money, but it's about there's something that you can just go and do. You were just saying?

Well, in my management always tells me the essence of satisfaction is comparison. So like you were saying before, it may not be a \$70,000. It may be I want a bigger house or a nice farm than other sales people, or whatever I'm using.

Yeah. I probably don't personally lead a greatly different lifestyle than I did at \$70,000 or whatever or below that, because you have kids and you tend to concrete more on your kids and things like that. I don't know.

[INAUDIBLE] when they're talking about having \$75,000 [INAUDIBLE]

Yeah.

[INAUDIBLE]

Yeah, I like his 80 though. Did you have the 80, or were you 75?

75.

I was 80.

I'm thinking there should be probably an upper threshold as well after which money actually is what matters. Because, for example, if why would a CEO or a CIO want \$40 million? If he signs--

You're comparing. I think he's right, the comparison.

So there should be upper threshold where maybe after you start making \$200,000 you actually want more and more and more.

That's a good point. So you're think there's a knee in the curve and then eventually it starts back up.

After that, it's not a person's satisfaction. How much money you make is probably what determines how well you do at it.

Yeah. I mean there's different kinds of comparisons. Some is a comparison of the head of one company might be because it's publicly available knowledge and can find out what somebody made. But there's also comparison as you point out, different car, different house, different things like that. There are a lot of methods of comparison. Yeah, it's interesting that way.

My favorite days at this job that I have now is when I go to visit and there's going to be a couple people that I'm meeting with the company, and instead, there's 15 people in the room. And some of them are trying to figure out if you're competing with them internally. And so sometimes, they'll say oh, do you do this. And I'll say oh no, we don't do that. Five people stand up and leave. I realize OK, that's why they were here. We'll eventually get down to the core group of people or whatever, but it's like batting practice. It's fun. I mean that's mentally challenging. It's also mentally draining to do that. But again, you need to be engaged that day, that's for sure.

What else do we find here? I don't know what else we found. I've lost track of where was. IT and R&D workers showed the lowest, 26%. Worst yet, 27 and 22% respectively were categorized as disengaged there. So I think, if you look at that, you go oh my gosh, we've got a problem here. But we might managers someday. So actually, you want to be a company where you can make a difference there. So just think about these things. Think about it where a person is in their career and their relative engagement or disengagement there. I think it's something as a manager can do something about.

At the bottom, I like the summary of this in which-- of course, I wrote it. No, I didn't write it. It actually came from above. This group here, they said engaged employees stay for what they give. They like their work and they're able to contribute. And disengaged one stay for what they get-- a secure job in an unfavorable employment market, a desirable salary or bonus, favorable job conditions or career advancement there. So it's an interesting way to characterize the whole thing there.

I've got my best and worst practices here. I didn't start out by managing, had not really thought about it, and then the sort of went into that role and found interest in it over time there, I think, and found a great deal of satisfaction from it. Some of the things I had the opportunity to do that turned out, I think, to be a great thing. particularly, in building a group as I did here in Tampa. And here are some of the practices that came from that.

When we went recruiting, I didn't just send HR to it. We would bring the managers of the group to the extent we could and I would go. I liked meeting people right there as they would sort of walk up and talk about our company. And so it's fascinating to see a person go from a person who is handing you a resume and just saying something about themselves, to being a valued member of your company where one of your users or one of your managers is telling you how great the person is. I mean there's satisfaction in that. You must think there must be something to this management business there and you can get satisfaction from that.

In hiring, having as many people from the group meet that person and getting together afterwards to decide. Anyone think of a reason why that might make sense if everybody got together and decided? Yeah, your skin's it there. You said oh yeah, let's hire this person. Well, in order to make yourself right about having done that, you're going to make sure that you were right by helping that person be successful. And it's something that worked very well.

And with the training, you don't want to train too far in advance of the work. We used to use training is almost a little bit of a perk. And sometimes, just so we'd train-- you guys know all the new technologies on this side. And you guys are working with some of the old technologies. And so as a perk over here, sometimes we'd train them in some of those even though they may not use it for two years. Well, that's too far in advance. Use your own people for training, if possible.

When I was teaching the bond math, I guess-- it was really attributes of securities and how securities work, and the calculations that are part of them-- when I was doing that, that was something that allowed me to grow in many ways. We were using an internal trainer and we used a lot of internal trainers for our sales and trading training program at Solomon Brothers, almost everybody was. And when they'd tell stories about things that would happen around the trading desk in sales, it was hilarious. So Jack Welch, I think is right. Use your own people if possible.

In terms of developing people and career paths there, it's very easy to you know there's no career path in this industry we're in, but there are. People are becoming more senior. They originally got hired as one thing and they're now years later further on. So there really are career paths. And as a manager, turning work into challenges-- figuring out we talked before about a user need something, grabs somebody who knows how to solve the problem, but has done it too many times, and send them with a junior person to go to solve that problem there. It's not just something from the user, but any sort of a challenge that there may be.

The feedback and attention, we talk about formal performance evaluations there. I think we used to have them annually. But is anybody here at a company in where they're much more frequent than annually?

We have a mid-year review.

A mid-year? OK, so a mid-year.

They set the goals and then they go to the midyear review.

Anybody here have them where they're project related, at the end of a project? Some companies do it that way. I've had some companies that say do it quarterly. Those are formal performance evaluations, but you can do

them every day by wandering around and seeing what people are doing. And the feedback and attention that people need, part of that is in the performance or formal review, and other things are just a wandering around, it's by group meetings and celebrating things that have gone on, by bringing people out to lunches or bowling or to wherever, so they get to get to know each other as people.

Succession I think is where the problems start. So if you two are working together and all of a sudden, I promote you and not you. And you feel like you were basically doing the same thing. How happy are you about that? Not very happy at all. You're dusting off the resume. So that's a problem. So if I promote you, I'd better have a conversation with you and talk about that and recognize that person is probably feeling the same thing.

I remember when I saw the VP list at Solomon one year and this one guy's name that was on it, I was like thinking there must be another guy in the company that has that guy's name because it couldn't have been this guy. But it was. So that is when you start doing comparisons. So there's comparisons of money. There's also comparisons of promotions over time.

I think there's two kinds of developing people. I think there's developing technical people with technical skills and teaching them the business is what you're doing. There's also developing management in people. I think I was always better at the prior, the former than the latter there. Developing managers, this is what I'm supposed to do right here and I'm saying it's the thing that I'm the worst at. It is difficult. I think that people find it in them. And maybe it's because I always think that I sort of found it in myself more than anyone ever really sort of came up to me.

Although I have to say, and my manager said ponce to me, always hire a person that's better than you. And it's a very simple thing, isn't it? But if you always did that, that would make sense. And yet, you can probably find examples of people that hire people that aren't as good as them so they're still the top of the heap in their group certainly. Everyone would notice that after a while I would think. But always hire a person that's better than yourself. There's a lot to that. There's developing managers.

Then, the third thing is developing yourself, continuing to develop yourself, because your position is going to change over time. And at each level in the organization, you're going to need to act differently. You're going to need to be sort of more politically aware of what's going on in the company. You're going to need to know more about what's going on in the industry that your company is in and things like that. You're going to need to be managing through your managers, not all the way down to the end there, all those sorts of things. And that sort of developing yourself over time.

Managing turnover is one thing. And you're going to have people, especially if you are here in Tampa, people's lives kind of take them into Tampa and out of Tampa sometimes there. Especially if you have two people in a

relationship, where one of them, their job moves to somewhere else, that other person in the relationship is going to have to go along with them sometimes. You're going to turn over some of those things things.

In much the same way, you're going to get some of those people back sometimes. So we lost people sometimes and then got them back when all of a sudden their lives would bring them back into Tampa. And is there anything that's more powerful than a person coming back and coming into your group again? Not really. That kind of reinforces to everyone else this must be good place. It was good for them.

One of the concepts that you read about quite a bit is the idea of leading versus managing versus supervising. You're not as much of a supervisor. Over time, you become really more of a manager, then after a while, more leading people. It's really sort of being more inspirational. It's more having them be able to understand what the purpose is of the company, what their role is in that. So it's kind of purpose driven thing that Daniel Pink was talking about. And those are things in which you involve other people in decisions, not just making them yourselves there, about having a team structure in which many people's knowledge and experience can be brought to that. And then, the not so good part when it doesn't work out-- at times you need to fire people or let them go.

In many ways, it doesn't always work out. Sometimes, it's for cause. They're doing something at work they shouldn't be doing. They're violating one of one of the rules that the company has. Another thing is firing due to lack of fit. Some of these jobs are going to be complex jobs and not everyone you hire is going to be really good at doing that job. Let me turn it around the other way, for some people some jobs to be a little bit over their head.

I had a person working for me where I had to go up to them at one point and say I think this is a complicated environment we're in here and I think the best thing for you to do would probably be to find a job at another firm. I really think that would be the best thing. That person went to another firm and did great at that firm there. And it was great to hear. It was a less complicated workplace, there less complicated in terms of what we were creating and supporting and everything was going on that industry there. And I think there that can be handled correctly.

The worst thing is firing a person without telling them. We thought you were good programmer. You're not. You can barely open a file. You can't make a connection, whatever. And so we give you less and less stuff to do. He knows it. Well, we stopped giving him stuff to do too. That was before. She knows about both of them there. I could be the person. But you have to watch out for that because it's very easy thing to say well, you know what, I'll lessen their load. And then after a while, you're not giving them anything and everybody knows that. And you know that too. And nobody feels good about that situation. You don't feel good about that situation there. And so, that's kind of the do not fire someone without telling them, where you're really not doing anything with that person.

I worked at a company once that was in the oil industry and you can probably look back on the thing there. This

may be something we need to edit out, but when they had somebody that really didn't work out in the group, they would promote them. So they would get promoted up through the company in the series of-- they usually weren't line jobs, more like staff positions or whatever. Crazy, it was crazy. This one person came into the group. And I said, what's he doing in the group. This doesn't make much sense. They said oh, this is one of these things where it didn't work out where they were before and they just moved him somewhere else. Pretty soon they'll move him on somewhere else there. That's kind of crazy.

When we talk about teams, the good is like the Apollo 13 where everybody had the same purpose and everyone's trying to do the same thing. There's a big victory at the end there. That's wonderful. There was one purpose. You are typically, in any decent sized company, not going to have one team. You have a group of teams who have different needs and different priorities. And so what you what you end up having is that you're managing like a league. And so you've got some teams where everything's working out really well and some teams that are really challenged within that.

And so, the whole team thing, watch out for that. It makes a lot of sense, there's nothing like a team where this commonness of purpose but as an upper level manager, you have a grouping of teams there. I worked at a company where we had teams there. And it worked out very well until they ranked the teams. And then all of a sudden the teams-- for compensation purposes-- and then the teams didn't share as well after that. You didn't like say you know what, let me just take these two people and help this team over there because have some needs there. You're like whoa, whoa, whoa, they have needs. They got ranked higher than we were. You think I'm sending these two people over there? I don't think so. And so it is very difficult to manage a multi-team environment and so just something to think about there.

The last thing I'd like to talk a little bit about is company culture. Some companies have a strong culture that's sort of company-wide. Many more companies have different cultures within different groups, and things really are different between different groups there. And I think you, as a manager, the opportunity you've got is that within your group, I think you can do a lot of good. I think you can create a culture where people are learning, where people's careers are growing and where people feel valued even in a company where nobody knows who's going to be fired next, when the next layoff is going to be, what's going out with this industry, is this company even well positioned within the industry. Those are difficult companies to work in and those are the facts of a lot of companies today.

So you kind of say well, how can I do any of those kinds of things you're talking about in a company in which everyone's thinking about a big layoff. I think you still can. I think for companies that are going on, as long as someone's there at work, we can help them to have careers that are meaningful, to advance and to have a better

life that comes from that. Your boss may not care about that. He may really not. I think it gives a more personal satisfaction.

I'm still in touch with almost everyone that ever worked for me, which is kind of crazy. I had a group up in New Jersey, a couple of groups in New Jersey and a large group here in Tampa. And the satisfaction that comes from hearing about how their careers are still going, I mean those people think I care. And you know why? Because I do care. After a while, they say repeat something after while and you begin to believe it yourself. And it's true. As a manager, you really do get a lot of satisfaction that comes from knowing how people's careers are moving along there.

I went to visit a client. And at the client, a guy that was there was telling me what a better manager he's become. And he's telling me that and afterwards his group told me he's pretty much right. He wasn't. He may have been selling himself a little bit more, but he was telling me that. And he was so proud of that. And you know what kind? I was proud that he cared enough to tell me that. He was someone that was a little bit managerially challenged, but we all are. We're all doers that become managers and then try and figure out how can we do something as a manager that helps the company that we work for and help ourselves long-term.

So I kind of finish as I started there with the who cares. I think that a lot of what we're talking about tonight is what creates sustainable success in a firm. We can drive people really hard. We can go crazy. We can ignore a couple people and we can do all kinds of crazy things and get something in, get a project in, going or whatever, but we can't sustain it. We can't sustain that over time if we don't follow some the things that we've talked about here tonight.

In many companies, you see there's a project success. It's a victory lap. There's turnover. People leave and all a sudden you've got a bunch of consultants running it or something like that. There's an article the *Wall Street Journal* years back, and they talk about this all the time about people movement patterns where somebody moves, a manager of a group or someone moves and then all of a sudden, a bunch of people move together there. People do often follow others there. And technology people, I've noticed, probably not that different than other jobs in other companies, like to hang together. They like to be in a group where there's other good people in the group and they're all learning from the others and they're doing what they do. And they will often move if a few of them move there-- so something certainly to watch out for.

That then comes down to loyalty to the company versus turnover that you would get. I think loyalty is created by things that you've done as a manager, by putting a person in a position to be successful and helping that person be successful. And finally, I think a lot of it for me was just a personal and professional satisfaction that I got over time. Did I get paid more? I don't know that. Once I was over 70, apparently it didn't matter-- 75. But it was

something that was a satisfying to me, to know that I think I've positively impacted people that have worked with me over the years. I don't think there's anything more satisfying than that.

I would ask you if you have questions, I'd be happy to answer any questions. I've probably lightly touched on a whole bunch of things here. But if anybody has questions or a comment, I'd be happy to hear them. I also have my email address on the front there. I'm always happy to hear from you. I just got an email today from someone who sat in this class in 2009 and was asking me some questions about their career there. So it's an odd thing in life to care a lot about careers of people who have worked for you and also people who have sat in classes like this.

So I encourage you to get in touch with me. You can connect to me on LinkedIn. Please mention that you were in AI [? Habner's ?] class. It's always helpful because otherwise I'll look and say wait a minute, who is this person. Anyway, any questions, comments? Does everyone need to fill out an instructor questionnaire or something like that. Oh no, you don't do them? Do you do them for the guest lecturers?

[INAUDIBLE] today we don't have them.

Oh darn, because I like to tell you what to put-- inspiring. I like to tell you. An industry leader, a thought leader. But anyway, I really do thank you. It's fun to talk to you and learn what's going on and impart a little bit of knowledge on my part there. Thank you very much.

[APPLAUSE]