CASE APPLICATION #1

Happier Employees → Happier Customers = More Profit?

Like managers everywhere, corporate managers at Jack in the Box, a San Diego-based restaurant company that operates and franchises some 2,200 Jack in the Box® restaurants in 21 states, have good reason to want to know the answer to the above problem.[31] But the answer would also be important to the company's thousands of lower-level managers. After all, understanding this connection between employees and the bottom line would have a significant impact on what and how the managers manage. Management, especially in an industry like fast food, is especially challenging. In the fast-moving, high-energy environment of a fast-food restaurant, managers struggle with keeping all the "balls in the air" and doing so efficiently and effectively. That's why Mark Blankenship, senior vice president and Chief Admininstrative Officer at Jack in the Box, decided to investigate the connection between people and the bottom line.

Managers need to understand the **connection between employees** and the bottom line!

The company had always measured employee satisfaction and engagement through an annual survey. Those "people" numbers had allowed managers to see relationships among satisfaction with the boss, benefits, training, and so forth, but that data had never been evaluataed to determine whether those things made a difference in the company's financial outcomes. So, at corporate headquarters, the first step was gathering all the people data from across the company and linking it to the financial performance data of the restaurants. And the results were very interesting! Restaurants with happier employees *did* have happier guests and higher sales and profits. And the company also learned that *the manager* controlled much of what was called "employee satisfaction." However, *happy employees* were only part of the equation. Now, all of a sudden, the company was beginning to understand the connection between people and the bottom line. Using quarterly surveys, restaurant managers now have part of *their* performance review based on things like leadership, staffing, rewards and recognition, and so forth. These data showed that what was really driving employee satisfaction, engagement, and performance was not about pay—which is surprising, especially considering the entry-level wages of most fast-food companies—but more about consistent staffing, training, and feedback. By having such a system of sophisticated data analysis in place, top-level managers at Jack in the Box can see how the efforts of restaurant managers and nonmanagerial employees impact overall performance.

Discussion Questions

1-33 What does this story illustrate about the importance of managers and management? Do you think this relationship would be just as important in other types of businesses (i.e., non-fast-food businesses)? Explain.

1-34 What management functions are evident here? How about managerial roles?

1-35 Do some research and find a list of Jack in the Box values. (Hint: Look for the Code of Conduct on its Web site.) How might these values affect the way managers manage?

CASE APPLICATION #2

Building a Better Boss

Google doesn't do anything halfway. So when it decided to "build a better boss," it did what it does best: look at data.[32] Using data from performance reviews, feedback surveys, and supporting papers turned in for individuals being nominated for top-manager awards, Google tried to find what a great boss is and does. The project, dubbed Project Oxygen, examined some 100 variables and ultimately identified eight characteristics or habits of Google's most effective managers. Here are the "big eight":

- Provide an unambiguous vision of the future;

- Help individuals to reach their long-term work goals;
- Express interest in employees' well-being;
- Ensure you have the necessary technical abilities to support employee efforts;
- Display effective communication skills, especially listening;
- Provide coaching support when needed;
- Focus on being productive and on end results; and
- Avoid over-managing; let your team be responsible.

At first glance, you're probably thinking that these eight attributes seem pretty simplistic and obvious and you may be wondering why Google spent all this time and effort to uncover these. Even Google's vice president for people operations, Laszlo Bock, said, "My first reaction was, that's it?" Another writer described it as "reading like a whiteboard gag from an episode of *The Office*." But, as the old saying goes, there *was* more to this list than meets the eye.

When Bock and his team began looking closer and rank ordering the eight items by importance, Project Oxygen got interesting—a lot more interesting! And to understand this, you have to understand something about Google's approach to management since its founding in 1999. Plain and simple, managers were encouraged to "leave people alone. Let the engineers do their stuff. If they become stuck, they'll ask their bosses, whose deep technical expertise propelled them to management in the first place." It's not hard to see what Google wanted its managers to be—outstanding technical specialists. Mr. Bock explains, "In the Google context, we'd always believed that to be a manager, particularly on the engineering side, you need to be as deep or deeper a technical expert than the people who work for you." However, Project Oxygen revealed that technical expertise was ranked number eight (very last) on the list. So, here's the complete list from most important to least important, along with what each characteristic entails:

- *Provide coaching support when needed* (provide specific feedback and have regular one-on-one meetings with employees; offer solutions tailored to each employee's strengths)
- *Avoid over-managing; let your team be responsible* (give employees space to tackle problems themselves, but be available to offer advice)
- *Express interest in employees' well-being* (make new team members feel welcome and get to know your employees as people)
- *Focus on being productive and on end results* (focus on helping the team achieve its goals by prioritizing work and getting rid of obstacles)
- *Display good communication skills, especially listening* (learn to listen and to share information; encourage open dialogue and pay attention to the team's concerns)
- *Help individuals to reach their long-term work goals* (notice employees' efforts so they can see how their hard work is furthering their careers; appreciate employees' efforts and make that appreciation known)
- *Provide an unambiguous vision of the future* (lead the team but keep everyone involved in developing and working toward the team's vision)
- *Ensure you have the necessary technical abilities to support employee efforts* (understand the challenges facing the team and be able to help team members solve problems)

Now, managers at Google aren't just encouraged to be great managers, they know what being a great manager involves. And the company is doing its part, as well. Using the list, Google started training managers, as well as providing individual coaching and performance review sessions. You can say that Project Oxygen breathed new life into Google's managers. Bock says the company's efforts paid off quickly. "We were able to have a statistically significant improvement in manager quality for 75 percent of our worst-performing managers."

Data cruncher **Google crunched data** to find out what being a great manager involves.

Discussion Questions

1-36 Describe the findings of Project Oxygen using the functions approach, Mintzberg's roles approach, and the skills approach.

1-37 Are you surprised at what Google found out about "building a better boss?" Explain your answer.

1-38 What's the difference between encouraging managers to be great managers and knowing what being a great manager involves?

1-39 What could other companies learn from Google's experiences?

1-40 Would you want to work for a company like Google? Why or why not?