of not-so-good bosses? The researchers at Google wanted to find out. They also wanted to answer these questions using data from their own organization to find out precisely what works for Google rather than other organizations.

To answers these questions, a team of 25-plus Google researchers and scientists began studying the company's supervisors using their performance reviews, surveys from their employees, interviews, and observations of their behaviors. Over 10,000 observations were collected on 100 variables to determine how well the supervisors were performing. Initially, not all supervisors were thrilled to be evaluated by their subordinates and "put under the microscope." Consequently, the effort took some "selling" to Google's top management. The fact that there the researchers could point to dramatic differences in the overall ratings employees gave different managers and that some teams performed much better than others helped fuel the fire to get "Project Oxygen" off the ground. (Presumably a good boss gives you room to breathe, whereas a bad boss can suck the life right out of you, hence the project's name.)

Once concluded, Project Oxygen yielded a plethora of information, some of which mirrored conventional wisdom and some of which did not: Teams with higher-rated managers performed better, the employees in them were happier, and they stayed with the company longer. Their managers had more impact on how the employees felt about their jobs than any other factor. However, it turned out that best bosses weren't the ones with the greatest technical expertise, as Google had anticipated. Instead they were those who are even-tempered, help their teams think through problems without micromanaging them, and care about them as people. Google then used the information it gathered to implement training and coaching programs to quickly improve the quality of the bulk of its worst performing managers.

Specifically, Google identified eight behaviors you should engage in if you want to be a good boss—at least at Google:

1. Be a good coach
2. Empower your team and don't micromanage
3. Express interest in team members' success and personal well-being
4. Be productive and results-oriented
5. Be a good communicator and listen to your team
6. Help your employees with career development
7. Have a clear vision and strategy for the team
8. Have key technical skills so you can help advise the team

Questions

1. Why isn't having the greatest amount of technical expertise the key to being a good supervisor at Google?
2. Does Google's research on the performance of its managers surprise you? Why or why not?

Sources: Adam Bryant, "Google's Quest to Build a Better Boss," *New York Times* (March 12, 2011), http://www.nytimes.com; Meghan Casserly, "Google's Failed Quest to Find Managers Are Evil, and Why You Should Care," *Forbes* (July 17, 2103), http://www.forbes.com; Judith Aquino, "Eight Traits of Stellar Managers as Defined by Googlers," *Business Insider* (March 15, 2011), http://www.businessinsider.com.

Case Study 2 Performance Management System Helps Freeport-McMoRan Switch Strategic Gears

What do you do when your organization needs to completely turn around its strategy due to a changing marketplace or for competitive reasons? Situations such as these are common in today's fast-paced business environment. How does a firm manage drastic changes like this? A good performance management system can help.

Freeport-McMoRan Copper & Gold is a case in point. The company, which is based in Phoenix, is the second-largest copper mining company in the world. It employs approximately 35,000 workers and has mining operations that span five different continents. But it wasn't a poor market condition that caused Freeport-McMoRan to shift gears. It was a booming one. During much of the 1990s and 2000s, the price of copper was low—only about 75 cents per pound—making mining less profitable than it had been in the past. Mining a large amount of copper therefore became less of a priority than keeping costs low for Freeport-McMoRan.

However, after the price of copper jumped sharply upward and hit $4.50 a pound, Freeport-McMoRan realized it needed to change its strategy—and fast. It needed to ramp up production and invest in new people and equipment in order to mine as much copper as possible while its price was high. The question became how to implement the change. Compounding the task was the fact that each mine was run separately. The firm's top managers did not even know how its employees were organized at the separate mines, let alone what their goals were or the metrics they were expected to achieve. The company had also acquired a rival mining company twice its size—Phelps Dodge—which made coordinating the performance of its people and operations even more difficult. In 2013, Freeport-McMoRan went to into a completely new line of business—oil and gas—making the coordination even more difficult.

To align the goals of everyone in the company and get all of its various mines performing at top capacity, Freeport-McMoRan needed a new performance management system. The system would hopefully enable the company to quickly implement and monitor the changes needed, while giving it the agility to change strategies again if or when the price of copper dropped.

Many of the employees who work in its mines and oilfields do not use computers regularly on the job, so Freeport-McMoRan needed a system that was easy to use. For this reason, the company adopted a web-based performance management system that employees could use at home. Initially, the firm rolled out the system to 500 employees as a pilot program. When it proved to be successful, the entire company began to use the system.

The software keeps everyone in an organization focused on a company's most important goals, which can have a strong impact on the firm's financial performance. It also helps organizations measure the contributions of its employees and to nurture, motivate, and reward employees based on their achievements. "Managers need reliable real-time data and pragmatic e-tools to measure, identify, analyze, and understand their organization's people capability—and what capability is needed to compete in the future," explains Jonathon Hogg, with PA Consulting Group, an IT and management consulting firm. The performance system, along with the company's strategic move into oil and gas seems to be working for Freeport-McMoRan. In 2013, the company posted a 19 percent return to shareholders, despite copper prices plummeting again.

Questions

1. Why did Freeport-McMoRan need a performance management system? How might it have helped the company adjust its strategy?
2. Do you think a pen-and-paper performance management system could have been as effective as the web-based system Freeport-McMoRan adopted? Why or why not?

Sources: Josh Bersin, "Performance Management Creates Agility in Copper Mining," Bersin & Associates [blog] (February 24, 2008), http://www.bersin.com; Jessica Twentyman, "Talent Management Software Highlights Stars and Slackers," *Financial Times* (April 20, 2011), http://www.ft.com; David Lee Smith, "You Can't Afford to Pass Up Freeport-McMoRan," *Motley Fool* (April 5, 2011), http://www.fool.com; Matt DiLallo, "Freeport-McMoRan Copper & Gold Inc's Big Oil Deal Still Looks Smart," *DailyFinance* (January 23, 2014), http://www.dailyfinance.com.

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