

Management Focus

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Welcome to Management Focus

... and to the fourth edition of 2013.


Within the last three years, the **global economic crisis** has prompted unprecedented change, with many organizations traditionally considered as “solid” crumbling and liquidating. The **pace and scope of change** has invariably had a negative impact on employees and organizations alike which is not necessarily offset by organizational benefits such as increased productivity and profits. A heightened increase in agility from organizations to move from a new strategy to the next one is paramount. However, where do employees fit within this change in terms of **expectation and performance**? Find out more in our latest issue of *Management Matters*.

One of the **key issues** dominating the tech and retail sectors currently is the **adoption of mobile technology** as a device for shopping. There is nothing new in this concept, with major operators such as Amazon and eBay establishing mobile applications as soon as smartphones were launched in around 2007. Growth is big, and estimated to be around 40 per cent a year in the five year period to 2016, but there is a feeling that it **has not yet reached anything like its peak**, and there is substantial potential for innovation for **online consumers**, who, as a group, are still yet to be properly understood by the shopping industry. Our featured article asks: **what will drive the mobile shopping revolution?**

Richard Newton is an author, consultant and public speaker, and is also involved in running two businesses. Richard's primary work as a consultant relates to helping organizations improve their capabilities in projects and change. He is the **author of 10 books** including *The Management Consultant*, *Mastering the Art of Consultancy*, as well as the award winning *The Management Book*. In his interview, Richard provides **expert advice** for new managers, he outlines the **misleading assumptions** that many managers make, and explains **how to handle resistance to change**.

Best wishes,
Debbie Hepton

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Management

Matters

Incisive commentary on topical business issues

Does continuous change cause organizational burnout?

Within the last three years, the global economic crisis has prompted unprecedented change, with many organizations traditionally considered as “solid” crumbling and liquidating. The pace and scope of change has invariably had a negative impact on employees and organizations alike which is not necessarily offset by organizational benefits such as increased productivity and profits.

A heightened increase in agility from organizations to move from a new strategy to the next one is paramount. However, where do employees fit within this change in terms of expectation and performance?

Organizations may be faced with a simple choice – retain existing employees, or employee new staff who can cope with the work demands made within the organizational context. If employees are retained, what interventions can facilitate employees avoiding emotional exhaustion and possibly burnout?

Financial institutions in Europe are now undergoing “stress tests” in order to establish which financial institutions are “dangerously vulnerable and need to be strengthened, or even taken over” However there is no such equivalent “test” for organizations when it comes to organizational burnout.

The concept of burnout has traditionally been more associated with individuals rather than organizations. If we consider a definition of burnout hinging around emotional exhaustion resulting in the inability to carry out specific tasks or functions, then how can organizational burnout be defined? Perhaps the point at which an organization has reached saturation, or at the point of inflection, and where performance, output, efficiency, etc., plunges dramatically, equating to organizational exhaustion.

Changing for change sake?

Change is certainly not a new topic of debate. Results from a survey of over 1,500 executives involved in a wide variety of change initiatives indicated that only 38 per cent thought these initiatives were successful and only 30 per cent thought they contributed to the sustained improvement of their organizations.

A report by PricewaterhouseCoopers found that nine out of ten of the key barriers to the success of change programmes are people

related. Organizations should therefore place considerable emphasis upon the people factors and the employment relationship during times of change, and more so in times of harsh economic cost cutting and asset stripping. The need to introduce change correctly at strategic, tactical and operation level is the key to successful change initiatives.

Added to this is an organization’s inability to cope with change, which can then lead to individual and organizational burnout. One important question to address is whether corporate decision-makers really care about employees, or are they content with pushing performance to its maximum point, to the detriment of the health and wellbeing of its workforce?

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Debates around how to engage employees in order to be productive and at the same time not result in burnout will continue. The balance between measurement and intervention at organizational through to group/job level through to individual level remains a paramount one. Should Line Managers have overall responsibility and control over employee well-being and burnout, when they retain responsibility for performance management targets and measures?

The HRD practitioner has a potentially valuable role to play in ensuring that interventions to assist employees can be introduced at the appropriate level.

This excerpt is taken from “*Continuous changes, organizational burnout and the implications for HRD*”, which was originally published in *Industrial and Commercial Training*, Volume 45, Number 4, 2013.

The authors are **Sally Rumbles** and **Gary Rees**.





Shop till you drop

What will drive the mobile shopping revolution?

Sometimes, a serious business question needs to be turned on its head. For example, in 2013 it is predicted that the sales of tablet devices will overtake those of the personal computer. The PC has reigned supreme for over 40 years as by far the most popular piece of large computer hardware, and then it is replaced in a little under four years by shiny and sleek little packages. Major companies have gone to the wall and others may soon follow just because shoppers decided to take a right turn instead of a left.

What would have happened if they had not gone in that direction? This is not such a fanciful notion, as a decade earlier Microsoft introduced a similar concept, only for laptops and netbooks to dominate sales. Understanding why consumers adopt new technology – and why they do not – are both sides of an important equation that tech manufacturers and retailers alike must study, even though curveballs seem to fly out from consumers at every turn.

Doing the math

One of the key issues dominating the tech and retail sectors currently is the adoption of mobile technology as a device for shopping. Again, there is nothing new in this concept, with major operators such as Amazon and eBay establishing mobile applications as soon

as smartphones were launched in around 2007. Growth is big, and estimated to be around 40 per cent a year in the five year period to 2016, but there is a feeling that it has not yet reached anything like its peak, and there is substantial potential for innovation for online consumers, who, as a group, are still yet to be properly understood by the shopping industry.

In order to answer this challenge, authors Yang and Kim completed some research on mobile shopping habits in their article “Mobile shopping motivation: an application of multiple discriminant analysis” (2012). In it they ask two elemental questions in order to further understand online shopping habits and how they may develop:

- 1 What motivations distinguish mobile shoppers from non-shoppers?
- 2 What motivations are most important in predicting mobile shoppers' behaviour?

Tale of the tape

To answer these questions the authors sampled a US group of shoppers, and crucially tried to understand both sides of the equation – that is motivations for shoppers to buy things on a mobile device, and the motivations not to. Even in the simple breakdown of the demographics there is some fascinating reading: over 91 per cent of mobile shoppers were under 30 years old; over 58 per cent of mobile shoppers were male with less than 42 per cent female; over

30 per cent of mobile shoppers earned less than \$35,000 a year, which was higher than those in the same earnings bracket not using mobile shopping channels.

We can already see that given the huge use of mobile shopping channels by younger people that as they grow older, they will have a greater effect on the overall picture, and it can be assumed that the next generation will be even more used to using mobiles. If female users also close the gap on males and lower tech prices mean that devices become more affordable for low earners, then the high growth rate for mobile shopping can only continue its upward trend.

“The technical ability of smart devices now allows consumers to find products across many stores, identify locations and compare prices. Indeed, so many consumers now compare pricing before buying, that many retailers help them through advertising and promotional tools.”

Mobile motivation

Of the eight separate motivations applied to shoppers, the one driver that stood out for mobile shoppers was efficiency shopping. This stands for both the desire to save on time and resources in the pursuit of a purchase, but also the fact that the experience is slick and simple for the consumer. The technical ability of smart devices now allows consumers to find products across many stores, identify locations and compare prices. Indeed, so many consumers now compare pricing before buying, that many retailers help them through advertising and promotional tools.

Two more shopping motivations figure prominently. Idea shopping refers to shopping behaviours where the pursuit of information on new fashions and trends are of paramount importance. This behaviour suits shoppers who engage in browsing activities in order to discover something they can purchase. Also figuring prominently among mobile shopping behaviours was so-called adventure shopping. This is typified by consumers who shop in search of excitement and extra stimulation, and very much fits in with the kind of new shopping experiences open to mobile users.

The fourth element identified was gratification shopping. While not as strongly associated with mobile shopping as the other three factors, it is a more straightforward motivation, involving the simple satisfaction in finding a solution to an individual's needs. Put together, these four motivations help retailers understand where they need to prioritize their marketing campaigns, and also where to focus research and development efforts to better satisfy mobile shoppers' demands.



Planned obsolescence?

On the flipside, motivations around roles, achievements, social interaction and value did not have a positive response for mobile shoppers, and it is just as important for retailers and marketers to understand what is not going to motivate a potential consumer.

“Understanding why consumers adopt new technology – and why they do not – are both sides of an important equation that tech manufacturers and retailers alike must study, even though curveballs seem to fly out from consumers at every turn”

Returning to the ever-growing market for tablet devices, and how quickly the PC market has been disrupted, how might mobile shopping fare in the future? The study reviewed here was completed in 2011, however between its completion and publication in 2012, both Google and Apple launched 7" mobile devices, while mobile phone manufacturers such as Samsung have innovated to produce "phablets" that create new niches. The study reflected the use of mobile phones, but in 2013 and beyond the mobile market will be much greater, and with more subtle variations.

Cynics may suggest that such rapid changes drive the market forward for manufacturers looking to upsell consumers – for example, witness new developments in TVs – on the back of new technology. This may be so, but for retailers looking to piggyback on such developments the need to stay one step ahead by understanding consumer motivations has never been greater.

This is a shortened version of "Mobile shopping motivation: an application of multiple discriminant analysis", which originally appeared in *International Journal of Retail & Distribution Management*, Volume 40, Number 10, 2012.

The authors are Kiseol Yang and Hye-Young Kim.



Tips and techniques for managers

An interview with
Richard Newton

Interview by: **Debbie Hepton**

Richard Newton is an author, consultant and public speaker, and is also involved in running two businesses. His career has encompassed line management and consultancy roles, before setting up his own consultancy in 2005, called Enixus.

Richard's primary work as a consultant relates to helping organizations improve their capabilities in projects and change. He is the author of 10 books including *The Management Consultant*, *Mastering the Art of Consultancy*, as well as the award winning *The Management Book*. He has also written for the non-professional market with his popular book on achieving personal goals – *Dream It, Do It, Live It*. He is a regular and popular public speaker.

Q Who should read *The Management Book* and why?

There are two audiences, which overlap. Firstly, it is great for new managers who can read the book from end-to-end. It provides a series of tips and techniques – things that can take quite a long time to learn, but are really very useful at the beginning of your career. *The Management Book* will help new managers settle into the role of being a manager.

However, in writing this book I was conscious that I wanted it to be a useful tool that any manager could apply, but not necessarily by reading it from cover to cover. It is designed to be used as a reference source that any manager can dip into to pick techniques and approaches to help them deal with specific problems. The way in which the book is broken up into 36 short sharp sections, each on a specific topic that can be read in isolation, makes it very useful for that purpose.

Q For someone new to a managerial role, what is the single most important piece of advice you would offer them?

It is always difficult to provide universally applicable advice. However, that said, the best advice I can offer is not to panic! That may sound trite, but the reality is that the first day in a new management role is daunting. It can seem demanding and stressful for someone coming

from a role where you are used to doing your own work to a role where you suddenly have other people who are dependent on you, and who require new things of you.

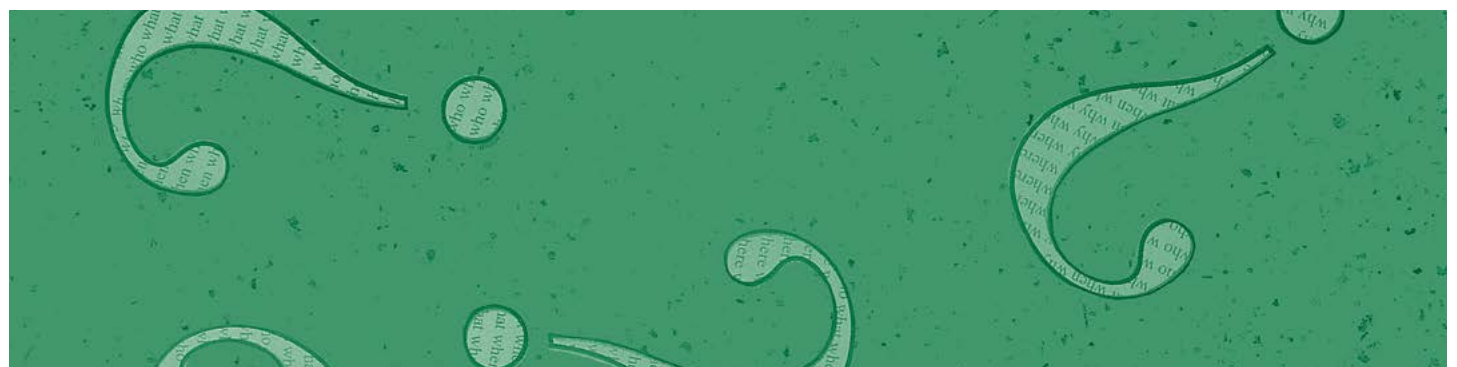
The reason I say “don't panic” is because, at the end of the day, many people go through the process of being a new manager. Nobody expects you to be perfect on day one. It is all about being willing to learn. Ideally you will learn quickly, but learn as you go along and do not give in to that fear and stress of how to face the new challenges presented to you.

“Nobody expects you to be perfect on day one. It is all about being willing to learn. Ideally you will learn quickly, but learn as you go along and do not give in to that fear and stress of how to face the new challenges presented to you.”

Q You speak of three misleading assumptions that many managers make. Can you tell us about these?

What I am trying to get across there is that there is an old fashioned image of the “heroic manager”. This person probably has one or two PC screens on their desk, a phone at their ear and people interrupting every two minutes while trying to do a hundred things at once. They also encourage their team to work that way too.

We have to multi-task, but multi-tasking is inefficient. This is not just my opinion, there is lots of research that supports this view that multi-tasking is inefficient. Every time that you change between tasks you lose focus and it takes time to refocus. We should accept that we have to multi-task, but minimize it as much as possible. With regards to the people in your team, try as much as possible to give them chunks of time to dedicate to work rather than swapping between many different tasks at once.



Featured interview

That then leads into the second assumption that the busiest person is somehow the best person. People like you and I are not really paid to be “busy”, even though we may sometimes be measured that way. We are paid to achieve goals. Often the busiest people are not the ones that achieve the goal. The ones that achieve the goal step back a bit, think a bit more, take a breath and then do things. We should be looking at output productivity, not hours worked or how many tasks people are doing at one point in time.

This leads us into the final assumption, which is an obsession by the manager to keep everybody in their team fully busy all of the time. People do like to be busy at work – nobody likes sitting around with nothing to do. However often managers have a role where there is a need for flexibility – that is additional tasks coming in which you can't plan for. Then a balance needs to be found. If you keep people busy 100 per cent of the time then you have no flexibility to do other things. If you need flexibility, you cannot be 100 per cent busy. You have to make a choice between those two extremes, you cannot have both.

“If you keep people busy 100 per cent of the time then you have no flexibility to do other things. If you need flexibility, you cannot be 100 per cent busy. You have to make a choice between those two extremes, you cannot have both.”

It is often very difficult to tell those above you that you are going to keep 10 per cent of your team's capacity for activities and tasks that might come about, because if that doesn't happen then the team are only working 90 per cent of the time. Therefore, you are losing 10 per cent of productivity. However, the value of that 10 per cent in terms of the optionality it gives you and the way you can approach things will outweigh any daily loss in productivity because you haven't loaded people to the maximum possible amount.

Q What can a good manager do when change is being resisted by team members?

Change resistance is a complicated thing. However, the first thing to do is understand why people are resisting. We talk about teams resisting change; teams do not resist change, individuals do. The first thing that a manager needs to do, rather than immediately pushing against the resistance – as it will turn into the immovable object pushing against the unstoppable force – which does not go anywhere, is to try and understand what is the ground of the resistance.

Sometimes resistance will be completely rational, for instance, there may be resistance because an idea is not well thought through. Sometimes resistance is due to people not understanding what you are trying to achieve, so you need to take the time to give them that education. Too often managers just push ahead without taking that time, and yet their life would be much easier if they did.

Of course, there is always a situation where resistance is there because the interest of the organization is not aligned with the interest of the individuals. That is just a reality. One of the challenges for a manager is that at one level they have to look after the team, but at another level they have to look after the interests of the organization. There is no easy answer to that challenge, but it has to be faced, understood and analysed at an individual level, to decide which route to take and how to deal with it. Just relying on pushing against resistance will get you nowhere!

Q What importance do you place on a manager's intuition and gut instinct when dealing with issues and problem solving?

I do place some importance on it, but we need to be clear on terminology. When we talk about intuition and gut instinct these are two different things. One is shooting from the hip and making things up as you go along. This is not good. The second is when you are doing something that you have done a lot of times, to the point where your thought processes have become subconscious. When I say intuition, I mean that my brain is doing something quickly that I'm not conscious of. My brain has been shaped by my successful experiences and these take me the right way. That is good.

We should not underestimate intuition based on years of experience. It speeds up the decision-making process, and decision-making is one of the big issues in management. Therefore, I value intuition as long as it is intuition and not “I just feel like doing this” without any justification.

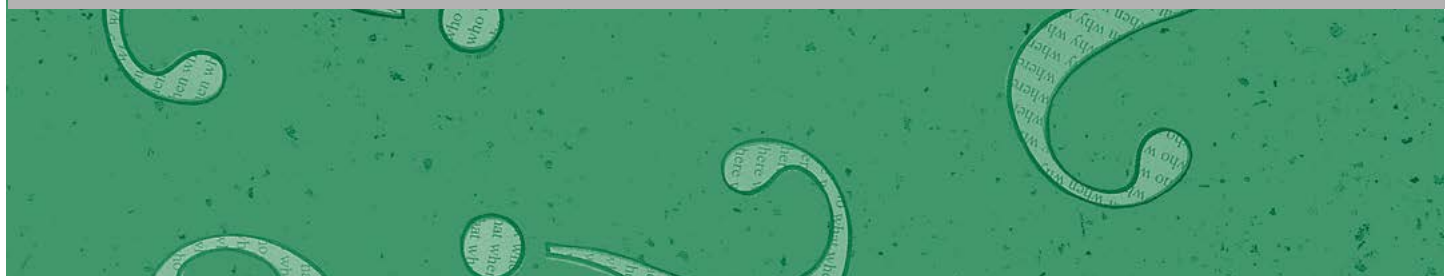
Q In your book, you discuss ten ground rules for good communication. Of these ten ground rules, which is the most important and why?

In my opinion, the most important one is the first one - to be clear in your own mind why you are communicating. When we communicate, whether it is just talking to people, doing something formal, or writing an article, we tend to just put pen to paper or open our mouths and start talking. What we tend not to do is think about why we are doing it and what is the end goal that we are trying to achieve. Because we talk all the time, we forget that communication is a goal directed activity, we do it for a reason, and unless we are clear what that reason is, we are unlikely to achieve it.

People should start by thinking why they are communicating. You can always hone your presentation skills and skills in PowerPoint, etc., but unless you start by thinking about why you are communicating you will never communicate appropriately or successfully.

The second most important rule is to think about your audience. What and how we communicate needs to be tailored to each audience. One of the challenges for a manager is that we cannot tailor ever single piece of communication to every individual. It is about finding the right grouping of people that we can use specific communications for. We all know that if we are called in to talk to the CEO it will require a different style of conversation than if we are talking to someone who we work with every day.

This is an abridged version of “*The Management Book: interview with Richard Newton*”. The full interview is available on Emerald Management First.





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Final thought ...

“ So much of what we call management consists in making it difficult for people to work. ”
Peter Drucker

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