5 Bad Habits of Highly Counterproductive Managers

THESE COMMON BEHAVIORS CAN BE A DRAG ON PERFORMANCE, BUT CHANGE IS POSSIBLE.

By Lori Pizzani

Investment professionals who excel in non-managerial roles are often meritoriously elevated to the management level. But the common practice of trying to turn star players into coaches has a high failure rate.

“We take them away from what they are good at and say ‘You’re so good, we are going to make you the boss,’” says Michael Woodward, an author and organizational psychologist who is the founder of management consulting firm Human Capital Integrated and also serves on the faculty of the Florida International University Center for Leadership.

The problem is that being the boss requires a different mindset and skill set for a very different job. Managers must be balanced between achieving corporate objectives and being a mentor and guiding force for employees. “Managing staff is not the hardest job in an organization, but motivating, engaging, and retaining staff is,” says Nancy Ahlrichs, a management consultant, author, and strategic account manager at FlashPoint HR in Indianapolis.

For a manager, reforming one’s own behavioral foibles requires self-awareness and honest self-evaluation. Are you a leader less than perfect but well-intentioned manager with flaws that are likely to drive good employees right out the door? If so, what can be done? To help answer such questions, career experts were asked to identify the most common counterproductive habits of people who manage investment professionals and recommend ways to correct these tendencies. The good news is that improvement is possible because managers are made, not born.

1. MICROMANAGING

The number one counterproductive habit identified by the experts is micromanaging.

“This is an issue of control, or losing control, and employees will hate working for you,” says Kathi Elster, co-founder of K Squared Enterprises, a management consultant and executive coaching firm in New York City. If every decision has to go through a manager, the manager will become the bottle neck of the group or firm. “You have to learn to let others make mistakes so that they can learn to be as good as you,” she counsels.

Micromanaging is a common habit often born out of mistrust or fear, according to New York City career counselor/executive coach Roy Cohen. To employees, micromanagement sends the message “I recruited you, but I don’t trust you to make the right decisions,” he says. “You, as a manager, want everyone to do everything as you would. But you have to recognize this behavior and address it because it can hold you back”—in addition to driving employees crazy.

So-called “helicopter managers” who assign projects but then constantly hover over employees or pick up the slack themselves can also drive employees away. “Lots of CFA charterholders are perfectionists and are good technicians, but that’s not necessarily the same as being good managers who can delegate,” says Cohen. He suggests learning to recognize when you are micromanaging. Properly train your staff and then ask for and accept their honest feedback on how well you are unlearning this habit.

A related counterproductive habit is asking an individual to accomplish a specific task—or even two individuals, with neither of them aware that the other was assigned the same task—and then choosing to tackle the task yourself. “These habits are done out of insecurity—insecurity that no one can do as good a job as you,” says Elster. “But it’s a horrible message for employees and very demeaning. Learn to let go and let others do their jobs.”

Managers need to identify the sometimes fuzzy line between coaching and micromanaging, according to Leonard Glick, executive professor of management and organizational development at the D’Amore-McKim School of Business at Northeastern University in Boston. “Micromanaging is often well intentioned,” he says. But before you get there, you need to tell your employees that you see part of your job as coaching them and then ask them where they want you to draw the line. Glick suggests that managers say to their employees, “If you think I am intruding versus coaching, then tell me.”

Several managerial experts suggested that projects be carefully planned and assigned. Employees need to be given the proper tools and resources, have the objectives, deadlines, and expectations for the project explained, and be encouraged to check in with the manager on a regularly scheduled basis (for example, every one or two weeks). The check-in could take the form of an in-person meeting or a short written progress report. Using this approach allows managers to track their employees’ progress, address delays or issues, praise efforts, and ask what additional assistance is needed to keep the project on time and within budget. Our experts also suggest allowing employees themselves to suggest solutions to challenges or recommend ways of better accomplishing the project.
Understanding the need for delegating tasks and how to do it properly can be a critical skill for a manager to master so micromanaging doesn’t rear its ugly head.

“One of the most counterproductive managerial habits is lack of delegation due to a fear of confrontation around holding the folks you delegated [to] accountable for results,” says Elene Cafasso, founder and president of executive coaching firm Enerpace based near Chicago. “I see executives who don’t hold people accountable or let it build up and then explode or give a horrible performance review.”

According to Cafasso, effective managers carefully assess each employee’s competence and engagement level and hold employees accountable by coaching each as necessary but not from a punitive perspective.

Being utterly hands off is often a behavior of managers who fear micromanaging, but this management style can be equally harmful.

Sometimes the hands-off approach is taken by a leader who has trouble making decisions. For employees, “that lack of direction is like being on a boat without the captain knowing what direction to steer the boat,” says Elster. “These people are maddening to work for. Generally, people want to be led and want to get behind a manager.”

2. AVOIDING DIFFICULT CONVERSATIONS.

Few managers relish having difficult conversations with employees who have not performed as expected, but such communication is necessary.

“Whenever people have to deal with inevitable difficult conversations, they will often procrastinate,” says Barbara Walters, who has 20 years of experience in corporate human resources and is the president of The HR Advantage in New York City. “Confronting poor performance or employee mistakes ends up at the bottom of managers’ to-do lists.” Walters points out that “managers, like the rest of us, want to be liked. That may mean avoiding confrontation or sugarcoating corrective feedback. What all this sidestepping leads to is frustrated managers and disengaged employees.”

Several experts suggested having an open, honest, and prompt channel for general communications with and feedback to employees.

Cafasso of Enerpace says she favors using the “curiosity” versus “blame” strategy, which involves questioning an underperforming employee with “I know you get things done, so what’s getting in your way on this task?” rather than outright blaming an individual for missing a deadline or poor performance. She suggests that managers tell employees, “I want to help you succeed” rather than “You’re not where I want you to be.” Cafasso cautions managers/coaches to remember that we are all human beings, not human doings.

“The priority should be to address problems quickly. Like most unpleasant tasks that get put off, they become most difficult the longer we wait,” Walters adds. “Considering that feedback is the breakfast of champions, managers must build trusting relationships and communicate corrective performance feedback honestly and in a timely manner.”

Waiting to address issues with an employee may be difficult for managers, but it can also be downright devastating to employees. “No one likes feeling blindsided, especially employees who often get surprised at their year-end review, negatively impacting their raise, bonus, and even advancement,” Walters adds. “I have witnessed more talent leaving shortly after the delivery of their annual performance evaluations than for any other reason.”

She relates the real-life example of “Gerard” (not his real name), who boasted of his ability to snare new clients at his previous financial services company employer and did a stellar job during his first year at a new company. At Gerard’s first-year performance review, his new manager gave him top marks—“exceeds expectations”—in all categories and glowing comments that earned Gerard a lofty bonus. But in the second year, things changed and Gerard produced substandard results. His disappointed manager wanted to fire him and at his second year annual review rated his tasks performed as “failed to meet minimum expectations.”

Gerard may not have been surprised by his lackluster results, explains Walters, but his manager had said nothing negative to him all year long. Gerard argued that he had received no indication that his poor performance would result in termination. Moreover, he complained, his performance goals were too steep, given the market downturn. The HR department intervened and insisted that Gerard’s manager give him another year to correct his performance.

Unfortunately, Gerard’s third-year performance further declined. “It was a high price for the manager to pay [for] not communicating constructive performance feedback in a timely way,” says Walters.

Overlooking the occasional mistake is one thing, but “some managers think they are doing their team a favor by overlooking flaws and lending an ear to excuses,” says Mark Joyner, founder and CEO of Simpleology, a software company in San Bruno, California. “At the end of the day, people will get a result or they won’t. Pretending otherwise, no matter how unpleasant, is not only counterproductive for the company but is also a disservice to the team member because it slowly renders them unemployable.”

Likewise, managers who withhold a company’s bad news under the guise of protecting employees who may not be able to handle the news (or so the managers believe) are doing them a huge disservice.

“There are negative implications to withholding bad news,” says Glick. “First, employees may believe the inevitable rumors, which are typically worse than the actual news. Second, when they learn of the news and that the manager knew earlier but didn’t tell them, they believe the manager doesn’t respect them. They wonder what else the manager is withholding and the manager–employee relationship suffers.” It’s better for managers to tell the truth and address issues head on. When managers are instructed not to reveal details, they should tell their employees, “I’m sorry, that’s something I’ve been told not to discuss yet.”

3. TYRANNY AND INTIMIDATION.

“There are two kinds of screamers—those not good at handling stress and those who are usually cranked up and have a short fuse. These are folks who yell first and think...
afterward,” says executive coach Cohen. He relates stories about the hedge fund industry, which (according to Cohen) has its fair share of tyrannical company owners whose “belief is that they own you as long as you work at their firm. But it’s demoralizing and offensive when they yell. Employees become less confident, which leads to manager avoidance.” That scenario is often followed by an employee exodus out the front door. Employee turnover can sometimes be as high as 30% and more within the first 18 months.

“Dealing with a screamer is illogical. People don’t want to be treated like that,” says Cohen. Screamers usually see high employee turnover because individuals seek a less abusive and more humane place to work. The screamers typically don’t care about employee turnover, Cohen says, and such managers keep recruiting firms in business. When the market is bad and employees don’t have a plethora of other companies to flee to, turnover grinds to a halt and the screamers have more leverage.

“It is the old style of management to put fear into people, but you really don’t get the best out of people,” says Elster. With such managers, the employee turnover rate can reach 100% within a two-year span. But this doesn’t mean managers can’t be demanding. “You can be tough and firm as long as you are fair,” says Elster.

“There are two ways to get people to do something: influence them or force their behavior,” says Woodward. “Leadership is really about influencing action. When people believe in the mission, they are more likely to be self-motivating rather than externally motivated.” At the other end of the spectrum are those managers who openly wield a sword of power in an effort to force action. “Power is: ‘I now have authority over you so listen to me, do what I say, and just do it,’” he says, explaining that such behavior is usually stimulated by frustration or urgency.

“Fear motivation, always talking about employees losing their jobs, gets them to focus on the worst-case scenario,” says Michael Provitera, president of Motivational Leadership Training in Ft. Lauderdale, Florida, and management professor at Barry University located in the Miami area. Instead, managers should focus employees on a desire to succeed and improve continuously.

4. NOT TREATING EMPLOYEES EQUALLY.

Although no two people are alike and managers must finesse individuals’ strengths, talents, and weaknesses, managers also must ensure that general rules apply to all.

Beware of “special deals,” says Provitera. “Managers often give longer vacations, days off, flexible time to some employees and ignore requests for the same from others.”

“Most managers want to be seen as fair and friendly, so occasionally bending the rules may seem appropriate, such as where one employee wants to leave early for a dentist appointment and asks to work through lunch,” says Timothy G. Wiedman, associate professor of management and human resources at Doane College in Crete, Nebraska. But problems can arise when certain employees make these requests while others don’t. “In the eyes of other employees, the boss may be viewed as playing favorites, and some employees absolutely resent a boss who plays favorites and the co-workers who take advantage.”

This kind of dynamic can eventually destroy team cohesion and lead to turnover. “Managers should consider the probable impact on the entire team,” says Wiedman. “Being too lenient can become a management trap that can damage a manager’s reputation and career.”

Maintaining fairness doesn’t mean acting as if everyone is exactly the same. One easily overlooked risk is failing to pay sufficient attention to more capable employees. “Sometimes, top performers get neglected because managers feel they don’t need a lot of care and feeding,” says Susan Sanders, founder and principal consultant at talent management/development firm Synergy Partners for Growth & Change in Charleston, West Virginia. “But these employees will get bored and will likely answer the headhunter’s phone call.”

While striving to keep the treatment of employees on an equal footing, managers need to remember a basic rule: praise in public but reprimand in private.

“Managers often praise the same people and leave out other employees,” says Provitera. “Managers should learn to praise things about each employee or offer praise in private.” He also counsels managers to reprimand privately.

He cites the example of a manager who frequently reprimanded people in front of others, particularly one manager on the New York trading floor of a then well-known brokerage firm where he had worked. “When managers get mad, they express their feelings right at that moment, not realizing the damage that they cause,” says Provitera. “This hurts not only the employee getting reprimanded but causes others to feel that they are working in a hostile environment.”

Despite the problems associated with a raging tyrant boss, a manager who is unable to instill discipline can also be harmful. “The too-soft leader who offers only praise needs to find the delicate balance of giving employees due recognition but also making them accountable,” says Len Petrancosta, COO of Peak Performance, a sales and leadership coaching company in Pittsburgh and the retired CEO of the Pittsburgh division of giant food distributor Sysco. Petrancosta hastens to point out that his words should not be taken to mean that managers need to become dreaded task masters who provide no encouragement at all.

Our experts also cautioned that treating employees equally does not give managers the license to hide behind the triumphs and failures of the team or particular employees. “Diluting or taking credit for staff accomplishments” has a corrosive effect, according to Ahlrichs. “Don’t use ‘we’ when an individual excelled but the team did nothing,” she says. “Lift up your staff members by name when they offer new ideas or work especially hard to hit deadlines or difficult quality goals.” Ahlrichs also reminds managers never
to take credit yourself for a staff member’s accomplishments. “Everyone on your staff will know—certainly the ‘star’ employee will know—and your credibility will vanish.”

One of Cohen’s clients joined a broker/dealer where the manager is a power-driven senior executive who rules with an iron fist, manages every aspect of the business, constantly reviews the team’s work, and then takes credit for their accomplishments. Worse, she “co-ops all visibility and limits contact and visibility of the team,” Cohen says. “It’s a great job and a miserable situation” for his client. Consequently, although Cohen does not usually recommend departure as a desirable solution, he is working with his client in devising an exit strategy from that firm.

**5. Failing to Communicate or Listen**

Failure to communicate is another costly fault, says Steven L. Katz, a leadership and management expert based in Potomac, Maryland. “That often means that employees cannot have a meaningful discussion with their boss about how their work relates to everyone else.” A lack of communication can lead to poor performance and employees feeling invisible. “Your relationship with your employees has to include a two-way dialogue with them communicating in a no-fault environment,” Katz says.

“Listening is a habit formed in our brain, body, and mind,” says Marian Thier, founder and president of ListeningImpact.com in Boulder, Colorado. Managers must understand that people listen differently. “If you have two people with similar listening habits, an interaction is easy, their brains are in sync,” says Thier. But when two people have different listening habits, neither of them being better or worse, they are on different wavelengths. An employee may say of a manager, she’s just not listening, or a manager may verbally instruct an employee for a task only to have the individual later say, “You didn’t tell me that.”

To be sure you and your employees are on the same page, experts suggest that you have the person you are addressing repeat back to you what you have just told them to be sure the message was understood correctly. Written instructions for a project (which can be co-written with an employee) can help employees better understand specific and detailed instructions. Moreover, managers should focus on truly listening to—not simply hearing—each team member when they talk.

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