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Promote, most say, unless new blood energizes company

Promoting from within is preferred for managerial slots in many companies. It rewards current employees and managers can move into the slot without orientation. But in some circumstances, it may be that hiring a manager from outside of the company brings new energy to the company.

"I really think you should promote from within because you always want to grow your own leaders," said Aubrey Daniels, Atlanta, a human-resources expert and author of the book, *Bringing Out the Best in People: How To Apply The Astonishing Power of Positive Reinforcement.*

Such prominent companies as the United Parcel Service, headquartered in Atlanta, hires from outside for technology slots, but former CEO James P. Kelly once said, "we have found that promoting from within is often the surest and most effective way of aligning the right people with the right jobs."

If the company has a unique organizational structure, promoting from within is the obvious choice. Jeffrey Bender, Founder of JJ Bender LLC, Fairfield, Conn. promotes his own because of the uniqueness of the office-equipment broker firm. "I have a philosophy that the answer is 'yes,'" Bender said. "If you call, the answer is 'yes.' Now we find out what your question is. I want people with an attitude rather than knowledge. Everybody here is home grown. We hire for attitude."

What every CEO wants is for a manager to be able to motivate his employees, keep the eye on the overall goal of the company and create an atmosphere where employees enjoy their work because of effective managerial practices.

But Daniels says if the organization is not growing well, it may be best to hire from outside, bringing energy through what he calls "hybrid vigor."

Many factors play in decision

The choice about promoting to a managerial slot from within or recruiting outside the organization depends on departmental composition. That means the type of personnel in the department, the type of work needing performed, managerial skills of existing personnel and relationships. But there are other factors to consider.

Promoting from within. A company president has been watching his service department and finds there is one technician who gets his work done with fewer callbacks, who is quick to be abreast of the technology of every new machine and who co-operates with other staff in the department and the company in getting his work done.

It may sound like the tech in this example should be promoted. But does he have good management skills? Does he really want the job or is he happier being a technician? Is he able to take risks and be comfortable with the results? Can he let the new tech take over service to his clients and "let go" of his current job?

Every CEO or President knows an employee who performs well in a line staff role is not always a good choice for management. Sometimes an effective line staff person needs more managerial skills to be a good manager, even if outstanding at his own job. For example, he may be unable to manage his former peers effectively.

A promotion from within, though, is usually an easier transition for the organization. "From a cultural standpoint, there's no learning curve," said Ed Bryant, Owner of Bayview Digital Systems, Irvine, Calif. "You don't have them having to figure out the inner office politics or figure out the personalities. A person who has risen up through the ranks, so to speak, already knows that. They're already accustomed and acclimated to that, so they just have to learn to fit into their new role as a manager."

Hiring someone from outside the company: If there is stagnation within a company, new people can bring energy and vigor to a department or company. New blood in management can improve Fortune 100 companies, which studies show usually hire from outside for managerial slots. Daniels says such "hybrid vigor" sometimes brings new energy to the company because promotion from within would cause the organization to develop a narrow perspective on what is possible.



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"Sometimes you need to bring in someone from the outside to do that," Daniels said, "but I would say generally speaking, if you are going to have an opportunity to promote, then that's part of the reinforcement in any level of the organization where you're doing a good job and trying to keep organization involvement."

While bringing in an outside person can energize the organization, Bryant says that will depend on the tightness of the culture of the managed department. "If you have a loose culture," Bryant said, "that's a different story, but if you have a tight culture and you bring someone in from the outside – especially in a management position – the person can meet with a lot of resistance. It can be a covert game."

Style of leadership weighs into success of new manager

Whether a promotion decision will lead to improvement hinges on the style of leadership. Most people have heard of new managers who lead departments to achieve previously unattainable results and goals. Many have also seen the damage resulting from a new manager changing policies on a whim or going around with a "my way or the highway" attitude.

"Some managers will come into a new situation and just totally redo everything right off the bat and force change down the throats of their subordinates," Bryant said. "That backfires a lot of times."

A good leader is "always looking for new ways to do things," Daniels says. Sometimes to be such a "change agent," it's necessary for the manager to do a needs assessment, said Bruce Halverson, Vice President of Sales and Marketing at Bayview Digital Systems, Irvine, Calif. "That's the first important element of being an effective change agent. The second aspect is implementing a plan, so it's really like a consultant going in without any biases one way or the other and understanding what's going on – first talking to everybody and not leaving any stone unturned. Get everybody's statement around the circle on the issues. Based on that, sit down with company management and set up a plan for change and a schedule for it."

A new manager will be aligned as a positive reinforcer if he asks people in the department to teach him or her about the department and how they do the work, according to Daniels.

"The first thing you do is become a student," Daniels said. "In other words, you don't come in right away and say, 'We're going to change this.' What you do is let the people in the organization teach you about how they do things, and no matter how poorly an organization is run, there are always things to learn and the things you learn about what might be going well will allow you to introduce something that they may accept as better."

Someone who is a "nice" person may not be an effective leader, though, and Daniels says these people need to learn to use positive reinforcement effectively instead of reinforcing the wrong thing at the wrong time or letting people walk all over them. These people may say "yes" all the time in an effort to be positive, but others take advantage of them.

"But if you're using positive reinforcement effectively," Daniels said, "you're going to be able to develop a discipline in the workplace that is not only efficient, but it's effective, because people are doing things to please you or doing things that are consistent with the organization's mission."

A leader's influence only reaches as far as he's able to be effective with his employees, and Daniels says that includes well-liked leadership.

"I gave a talk recently and I said in there that as a leader, you're paid to be well-liked," Daniels said. "I kind of got a gasp from the audience at that because they had never thought that a leader has to be well-liked. Of course, you can have a leader who is not well liked who can be effective, but only so much as their competition is pretty much managing the same way. In order to be the most effective leader, you're got to have people who like you, want to follow you and want to do the things that are important to you."