



# The Top 10 Costliest Manager Mistakes

**How many of these 10 mistakes do you see in your managers in your organization?  
Care to put an annual dollar figure on what this is costing your bottom line profits?**

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Every executive I know is looking for creative ways to squeeze more profits from their businesses. Have you asked yourself: What could we make if only we were congruent in our thinking and actions as a management group? Studies have shown that 96 percent of corporate mistakes, omissions and miscommunications occur as a result of the management team. Most of us immediately second-guess that statistic until we sit back and go over the recent “fires” we’ve been fighting and realize it would be preventable with more effective managers.

The Top 10 costly mistakes managers make are not always readily detectable until they manifest themselves into a crisis situation. Think of the last manager you had to let go for cause. Did you find many other problems you never knew existed once he was gone? Managerial errors in American businesses alone are costing companies billions of dollars.

## **1. The Insecure “Leader”**

An insecure manager will never be recognized as a leader by those who report to him. His staff may listen to what he says and execute his directions, but he will never have the respect and buy-in that an effective leader would have. In crunch times when a manager has to rely on his credibility to ask employees to give something extra, he delivers the request for “more” as a demand usually accompanied with threats or blame upper management for the increased workload. Either way, the organization doesn’t get what they need and the employees lose commitment and loyalty to the company. Can you name the person in your organization who fits this description? Do you have any idea how much revenue or opportunity lost he has kept from your bottom line?

This person needs an opportunity to grow into his position with a focus on weakness development. Some managerial philosophies say play to a person’s strengths, but I think we need to invest in our managers to strengthen their weaknesses, instead of creating the managerial merry-go-round to find the perfect fit for their skills.

If we don’t challenge our managers to grow and provide the training and opportunity they need, then we allow our managers to be one-dimensional and their employees will want the same offer. Call me old-fashioned, but I want to see if managers are up to the task of making

significant improvements in the skills with which they aren't naturally gifted. I've never met a leader that didn't grow in ability and self-confidence without overcoming an adversity.

## **2. The “Lone Wolf” Decision**

A manager who doesn't have the skills or commitment to achieve lasting success is too insecure to ask for assistance and will make “Lone Wolf” decisions. Corporations are so inter-related that any “Lone Wolf” decisions will have negative impact on other areas as well. Lone Wolf decisions are frequently a power play for this type of manager. It is a way of exercising some authority and taking a commanding position. Right or wrong they want to be in charge, regardless of experience, knowledge or position in the company. I'm all for allowing managers to make their own decisions and giving them the freedom to learn from their mistakes, but the Lone Wolf decision-maker is more interested in grabbing glory and flexing authority, and this is detrimental to a working environment.

The Lone Wolf is also hesitant in sharing any information about his work area. To understand this, get the mental image of a child in the sandbox hollering “Mine!” “Mine!” This is that same person only a bit more polished in adult form. Executives who have Lone Wolf managers reporting to them on the progress of projects or departmental goals feel frustrated when trying to get information.

One such executive who is a client calls himself “The Dentist” – because he is constantly pulling teeth just to stay informed! It's not necessarily an adversarial relationship, just a very protective one, where the Lone Wolf prefers to keep information close for two reasons. He sees job security if he is the only one capable of making certain decisions because he is the only one with all of the information. He also can't have a decision second-guessed before it's made if no one sees it coming. The Lone Wolf practices the adage, “It's easier to ask for forgiveness than ask for permission.” Because of this manager's lack of congruency with the corporation's vision, the potential cost to the organization is significant, not to mention that the rest of the managers start withholding information from him and the entire staff loses effective communication.

## **3. Being Satisfied with Good**

Good enough will never reach great status. Most managers don't try to revamp or take dramatic measures to improve until they have nearly run out of rope, feel pressured from executives, or are new to the position and want to make an immediate splash.

If your company tolerates good, then you are in a company that is coasting, and if you're coasting then you must be going downhill.

Are you coasting? Think in your business and your industry what was considered good 10 years ago. Now how would that be perceived? I'm betting it's unacceptable. Now think of all the changes that have happened in the last year? Are you still trying to please 2004 customers with 2003 ideas and practices?

What about your managers? Are they still using habits and skills that were good enough in 1992? Sure, they are and you can think of their names right now. Most managerial training is based on a philosophy created in the coal mines of France in the 1920s, for goodness sake! Because we all want to be playing on a winning team, because we are constantly exposed to well-rehearsed spin control, because we are eager to feel good about ourselves and because our society is built on instant gratification, we look for the positives and in some cases are blind to pitfalls we are plunging into.

Some of us just choose to follow the path of least resistance, and the path of least resistance is seldom the right path. Ask our men's Olympic basketball team. They didn't prepare like it was the NBA finals, they didn't take their opponents serious enough, and they didn't make the effort to work on team chemistry. When I heard they were satisfied that they at least brought home a medal, in my mind I heard, "Our effort was good enough." They should be hanging their heads and apologizing to the country for being satisfied with good.

The next time you hear a manager say, "I'm giving 110%," "I gave it my best shot," "I'm laying everything on the line," ask them point blank: Do you have another breath. Could you work one more minute? Do you have one creative solution you've not tried yet? If they do, they haven't maximized their effort and probably don't understand the meaning of the word great and are quite satisfied with good.

#### **4. Losing Touch with the Workforce**

Every manager has a full workload demand, but how many hours are spent staying in touch with the workforce?

At the beginning of my career I worked for a plant manager who didn't know any of the blue-collar workers' names, rarely went out in the work area, and was rarely outside of his office or the conference room. This was a manager who had lost touch with the workforce. Today our workplaces are filled with more diversity than in the last 100 years. We are multi-generational and multi-lingual and in need of better managerial skills than ever before.

If managers are not visible to the workforce other than the obligatory "good morning" stroll through the department first thing in the morning or when there is a problem and the employee needs to be challenged or chastised, then this is a department waiting for leadership and direction.

Do a check of your managers. In a two-week time period, how many hours do your managers spend in meetings, preparing for meetings or in the post-meeting meetings (every company has these unproductive whine sessions)? How many hours do they spend socializing with other managers? How many hours do your managers spend on completing paperwork? And, how many hours do your managers spend with the workforce building credibility, increasing social equity, and coaching better skills? Your analysis might be shocking as to how little time managers spend actually managing people. Millions of dollars of productivity are lost every year can be attributed to this situation.

#### **5. Eliminating Training**

Once upon a time businesses had apprenticeships, where a newcomer spent time learning the ins and outs of the job from an experienced worker. Most of this type of training is anecdotal history and ended with the slash and dash recession in the late 1980s.

But what happened to new employee orientation that was more than filling out medical forms and watching safety videos? What happened to cross-training, where you invested in good employees to teach them many different skills? What happened to skill development?

Today's workforce wants to learn and grow. What developmental training is being done? If you don't develop them, the younger workforce will move to an organization that will provide learning opportunities. A common managerial justification for not training is either times are tough and they don't have the money or they are swamped and don't have the time. Training is an investment in the future, a commitment to customers and employees.

If a training program becomes an overview and quick dump of information, it doesn't take

long for a workforce to realize the commitment isn't there. In these situations managers are looking only in the short-term to solve an immediate problem and the human resources department might as well be fitted with a revolving door. How much money are you losing because managers rush employees into the line of fire before they were ready, only to see them create significant mistakes, quit, and leave an opening that has to be backfilled by using overtime or by further taxing your best performers? And once again you have the expense of trying another person in the process? As training budgets are the first to be eliminated in down economic years, training is done haphazardly and ineffectively which brings to mind the question: Are you really saving any money and how much increased damage have you done to your customer and employee relationships?

## **6. Allowing Little Problems to Develop into Big Problems**

Major labor issues could have been dealt with long before they became the huge issues for management to wrestle with. Customer complaints handled immediately will not cause customers to disappear. Noticing initial employee behavior changes when they start will prevent significant disruptions in the workforce later as those behavior changes become significant.

I'm sure you will agree with me that none of those are revolutionary ideas, and dealing with these are the basics of effective management, yet over the last week how many of these exact issues have come to your attention? Probably more than you care to think about.

Managers have a greater expectation of performance with fewer resources than ever before. In an organization's haste to streamline workforces and maximize return on investments, managers are being asked to do so much without being given the opportunity to learn how to handle that workload that they tend to focus on the big problems, customers and major issues, seldom taking the time (or having the time in their opinion) to even see the smaller things. As one manager put it, "When some of the troops are suffering from life-threatening injuries, a broken leg is just not that important." Better systems, better relationships with employees who can handle the minor issues with minimal direction, and a clear understanding of which minor issues have the potential to turn into major problems will give a manager the ability to successfully handle the multitude of demands he has to face daily.

## **7. Constantly Changing the Top 3 Priorities**

Mr. CEO, take a walk into the various departments lead by your managers. Ask a couple of employees individually within that department to list for you the top 3 priorities of their manager. Are they the same from person to person? Are they the same as the manager in question would say are his top 3 priorities? Hey, are they the same as your top 3 priorities?

Most people at some point in their careers have worked for a boss who must have used a dartboard to come up with the priority of the day. When priorities are unclear, employees are afraid to start on something until they get the boss' new priority. It is paralyzing to a work force, takes away their ability to respond to sudden issues, and creates a "Wait until we hear from the manager" attitude.

Effective leaders won't vary from three basic priorities that are never to be compromised. They should be easy to understand, easily repeatable and easily measured. Companies can waste thousands of man-hours and millions of dollars chasing trends and trying to grab a quick buck. I mean, really, do people really want to buy a bun-less burger and call it a health food? We will know if the product is still on the market in six years. Chasing trends also speaks of lack of confidence. If you are confident in your basic long-term strategy, there is no need to

change the top 3 priorities, and people find comfort in working in that atmosphere.

Want to know how well your top three priorities are being addressed? Talk a walk and ask around. Imagine if every one of your departments understood with clarity the top three priorities of your organization and then with unity focused their efforts. How much more profitable would your organization be? So why settle for less?

### **8. Failure to Take Ownership**

If the ball is dropped in one of your manager's departments and he is called to report on it, instead of taking responsibility for it, will he often blame others for not performing? Does this sound familiar? In your last management meeting did anyone offer the excuse, "I delegated that and it hasn't been done yet." Or, "I'm waiting on the customer to get back to me on that." So?

A manager who won't take the responsibility of the actions of his group isn't a manager; he is a reporter. The difference is ownership. Owning a problem is halfway to solving the problem. When I hear managers using excuses such as the economy, or the competition got lucky, or there is no good help available anymore, I hear a manager that won't face the fact something is broken and needs to be fixed. Leaders are quick to accept responsibility of a situation and then take the appropriate corrective action. Finger-pointing is a clear sign a manager isn't accepting his role as leader.

How many managers do you have that are satisfied as long as they have a reason for why something didn't happen like it should? We have become the masters of spin control and how to put negative news in a positive light. Bottomline, the coach can tell everyone at his press conference the multitude of reasons why they lost the game, but the fact remains they still got beat. How much productivity are you losing because your managers aren't taking ownership? How long can you afford to allow that to continue?

### **9. Incomplete, Improper, and Irresponsible Communication**

Managers are public speakers every bit as much as the convention keynoter. The manager's audience may not be a hall filled with a thousand people, but it is every bit as critical to deliver the correct message to the dozen people he is addressing. Communication is a tool that can be used to inspire, encourage and ignite employees to understand, buy-in and be involved. It can also be a tool used to intimidate, damage and weaken employee loyalty, commitment, and understanding. Just because we can talk does not mean we can communicate. Communication is more than an utterance of words. It should be a well-crafted message with an intended outcome.

Time is so precious in a manager's day that it is easy to fall into poor communication habits of relying on memos, emails, and voice mails. Face to face communication is key for critically important messages. A writer creates draft after draft before his message is considered ready for readership. A public speaker crafts his speech for maximum impact. How do your managers prepare for a given message to his staff? To his fellow managers? Oftentimes I see managers walk into a meeting unprepared and shoot from the hip with whatever words first come to mind. Communication can't have a defect recall. You can't ask people to ignore what they just heard. How about the last managerial presentation you witnessed? Did the presentation have impact?

If you sit back for a moment and review the communications within your organization do you hear incomplete messages? Do you hear improper statements made at inopportune times? Good managerial working relationships have vanished and customers are lost quicker for this mistake than any other on this list.

## 10. Being Short-sighted

Televangelist Jim Bakker of PTL infamy needed money for current construction projects he was building so he sold lifetime memberships for future projects to raise the much needed capital today. He then had to create more future projects to pay for the projects he used to raise capital for the first projects until finally his fraudulent ways came crashing down around him. Here was a man who preached a long-term vision but lived a short-term reality.

Mortgaging the future for the payoff today is the same shell game played by many managers right now. Managers are living the lie to satisfy short-term expectations and reports. I'm sure not in your organization, but managers in many organizations are pushing product out the door at the end of the month to make sure the reporting for the month reaches targets. Isn't this like cramming for finals in college? A lot of sleepless nights, no lasting knowledge gained, and just hoping for a good score. Where is the value in this approach?

See if this sounds familiar. Your organization needs to get customer orders out to before the monthly reporting cut off. So, the manager authorizes higher cost shipping and wastes hundreds if not thousands of dollars of overtime expense to satisfy a piece of paper. He does this the last week of every month.

Short-sightedness doesn't only appear in the end of the month folly. I worked beside a department manager that boasted about his reduced machinery maintenance costs. Two years later after he moved on to a different location it was discovered the reason his costs were so low was because he didn't do any routine maintenance and his equipment was about to fall apart. How about the manager who only used three tellers at his bank and had customers literally lined out the door on Friday afternoons because he was making his bottom line look better with reduced labor cost? My experience says the more a company determines effectiveness by numerical reports, the more short-sighted it becomes.

If managers are not seeing long-term vision because they are only looking at the short-term results, what will the cost be to the organization when the long-term targets aren't even in the realm of possibility?

A manager that is running his department month to month with only a short-term vision is like the person driving down the interstate at 75 mph at night with the lights off. For a while he is making great progress but a serious accident is guaranteed in his not-to-distant future.



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It's easy for a manager to fall into some of these habits if they've not been taught properly, been coached or given the opportunity to learn through their mistakes. Executives who grew up in zero-defect managerial styles have created work environments where mistakes are unforgivable which causes managers to panic instead of learn, and hide instead of share their mistakes in order to prevent them from happening in other departments.

And that is the costliest mistake of all: Creating a mistake-intolerable workplace. Wisdom comes from experience and experience comes from learning from your mistakes.



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