Avoid common mistakes in managing people

Guido Stein and Eduardo Rábago offer a game plan to HR professionals for decisions surrounding employees - from hiring to salary.

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Yes, it's a book about managing people and yet it's not aimed at HR professionals.

The latest book by **Guido Stein** of IESE and Eduardo Rábago is intended to help executives, regardless of their place in the organizational hierarchy, learn to nurture and protect the talent of those working under them. People, after all, are the main asset of any business.

Key aspects of managing people that are covered in the book's seven chapters include:

- managing by skill set
- searching for executives in web 2.0
- gauging potential
- evaluating performance
- hiring
- setting salaries
- firing on disciplinary grounds
- collective bargaining
- exercising comprehensive leadership

Building a competent team

Identifying the skills on which to base a work assessment is not an easy task. Yet it should be the first step that any executive in charge of a team takes. Establishing a series of behaviors,

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ideally ones that can be observed and measured, and defining goals provide an important framework for pursuing objectives.
The authors recommend creating a "map" of competencies with the skills and behaviors that managers feel employees should have. The importance of these competencies should be ranked, using a clear scale.

Once this map has been created, the second step is to choose an evaluation system that allows both performance and development potential to be assessed.

The evaluation can be conducted using various techniques and sources of information, including self-evaluation, evaluation by superiors, 360-degree evaluations or findings from an assessment center.

Whichever method a manager chooses, the authors caution against two main risks:

1. *Choosing designs that are too prolific*. This can provide information that is thorough but too expensive and complicated to manage, with the subsequent risk that the assessor may end up filling out questionnaires as if they were lottery forms.

2. *Falling victim to biases*. A common example is the "halo effect," which is when one feature of the person assessed overshadows others. There is also the "mirror effect," which is the tendency of evaluators to rate individuals higher who resemble themselves. Finally, there is the "inflation effect," which is very common when the assessors are aware that their evaluation will affect the candidate's salary or likelihood of promotion.

Selecting, hiring and paying

The book aims to offer executives a clear, concise game plan for defining and implementing a skills-based management system -- and analyzing the effects that this can have on a team's day-to-day workings. In addition, it addresses other stages of labor relations. These include:

- searching for and choosing executives, with special emphasis on the roles played by social media and headhunters;
- establishing salaries, which should be based on systems that are simultaneously dynamic but subject to solid criteria regarding transparency and fairness;
- dealing with collective bargaining;
- firing for disciplinary reasons.

The book maintains its focus on practicality throughout, providing examples and

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recommendations. For example, the authors list the most common mistakes in luring and paying executives, and 10 criteria to improve the hiring process.

Exercising comprehensive leadership

All of these practical tips lead to a solid goal: helping executives develop what the authors define as "comprehensive leadership" in their interactions with the talent entrusted to them.

The final chapter addresses this concept in detail, seeking to distinguish between what leadership means on a conceptual and theoretical level. In real life, according to the authors, qualities that single out a good leader include influence, orientation, connection, priority-setting and commitment.

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