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MORE SUCCESS



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Vincent Thompson



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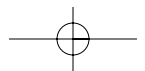
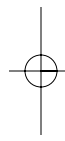
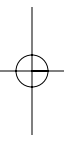
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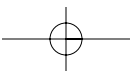
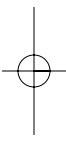
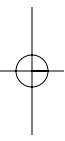
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Dedication

To Jackie, the love of my life, who makes it all seem possible.



CONTENTS

Acknowledgments xi

About the Author xv

INTRODUCTION:
LIVING IN QUAKE COUNTRY 1

BASE CAMP:
THE MIDDLESIFT QUIZ 19

Part I

MORE POWER 23

1

LEADERSHIP IN LIMITED SPACE 25

2

THE MANAGER'S UNIVERSE 47

3

MANAGING YOUR EMOTIONS 65

4

ACTION WITH TRACTION 83

5
THE DEADLY LACK OF
EMPOWERMENT TRAP 103

Part 2
MORE PURPOSE 121

6
TOUCHSTONE 1: THE PROCESS 123

7
TOUCHSTONE 2: THE PEOPLE 143

8
TOUCHSTONE 3: THE MESSAGE 161

9
TOUCHSTONE 4: THE LANDSCAPE 177

10
TOUCHSTONE 5: THE STRATEGY 197

11
TOUCHSTONE 6: THE STORY 217

12
TOUCHSTONE 7: THE SPIRIT 237



Part III

MORE SUCCESS 255

13

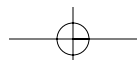
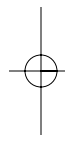
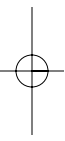
SELLING FROM THE FULCRUM 257

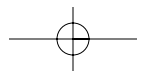
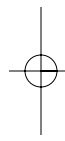
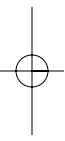
14

YOUR OWN SENSE OF BALANCE 281

Source Notes

Index





ACKNOWLEDGMENTS

At the height of the social change defining the Sixties, someone asked the Grateful Dead's Jerry Garcia a simple question: why? Jerry responded by saying, "Somebody had to do something, and it's just incredibly pathetic that it had to be us."

I can't repeat Jerry's line without laughing. Any of us who have felt the call of duty can certainly relate. As a manager, I spent far too many hours hoping a great and powerful force would hit the Restart button and create a world for managers where things made sense and business could be and mean all that we wanted it to. With that day not appearing to have been scheduled in my Outlook calendar, it was time to try and do what I could.

Having heard and believed that a good idea does not care who it belongs to, I gave myself the room to explore and began looking at my own Manager's Universe for answers. What I found almost instantly was a passionate and thoughtful community who shared the vision and would give tirelessly to the realization of this work.

The initial validation and trigger for the publishing deal came from my dear friend and mentor Jason Jennings, whose phenomenal success as an author and speaker is a true testament to the power of his passion to give and help others. Jason listened to premise of *Middleshift*, added key insights, and connected me to Tim Moore and Paula Sinnott at Prentice Hall. Tim and Paula challenged me to go deeper in my thinking and then guided me into a book deal with them supported by the power of their company, one of the world's leading publishers.

Soon after, a research team was born. Susannah Kim, a Pepperdine MBA student joined, along with Attila Szucs who lead much of the early research effort. As a former telecom manager in Hungary and an Accenture consultant, Attila had come to Los Angeles to finish his own MBA and went deep into the history of management and management practices for this book. Near the conclusion of this first year of research, we were joined by Brian Solon who, with a JD/MBA, budding musical

career, and passion for business books, had just come finished as the lead researcher on Jason Jennings's bestselling *Think Big, Act Small*. Brian challenged our existing research, took us even deeper, and helped with the outline, early editing, and wordsmithing. We were also fortunate to have Nick Morgan, founder of Public Words and editor of the *Harvard Management Communication Letter*, as an early guide in the books structure. Nick's partner Nikki Smith-Morgan played a key role as well. In order to administer our survey of managers and connect with the community, we needed a great website, and we were thrilled when Tim Sanders set us up with Jack Wu of ScreamStream. Jack not only designed a great site (www.middleshift.com) but powered up his own network to help with our cause.

As you may imagine, all of this effort was rather challenging given my full-time employment as a sales manager. As a research team, we met on Saturdays, and my managers at AOL were incredibly supportive of me using my white space during the weekdays to work on *Middleshift*. When it came time to draft the early pages, they even allowed me a flex schedule during a four-month period schedule that provided many weekdays for writing. It would be hard to overestimate what that support has meant for this project, and with thanks that'll last a lifetime, I'd like to acknowledge Kathy Kayse, the talented Michael Barrett (with whom I worked for several years), and his boss, Mike Kelly, who turned our ad unit at AOL into a real business, while at the same time making it a great place to work.

A few chapters into the early work, something really wonderful happened. We were able to attract Karl Weber to the project. Karl, the former managing director of Times Business (then a division of Random House) and a best-selling author himself, joined to help take the work up a notch with better prose and additional insights. We might never have had the chance to work with someone of Karl's prestige, but he believed that the stories needed to be told, and soon Karl was my partner in this. I'm so thankful for Karl, who taught me a lot and dimensionalized the work in ways far beyond what we could have imagined in the start. Karl is a great writer and a great friend.

With the pages rolling in, Russ Hall, our editor from Prentice Hall, was there to keep us on track and challenge us to provide insights on every

page. As a successful writer and Texan, Russ used great anecdotes that entertained us and at the same time nailed the points.

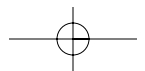
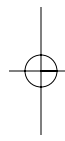
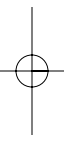
Along the way I had lots of great help from my wonderful and sharp assistant Tina Trankiem, marketing assistant Adam Fox, and our witty transcriber Lynn Colomello. I also benefited greatly from the sanity checks provided to me daily by the AOL Media Networks Team in Los Angeles, who kept me thinking, kept me motivated, and always made me feel part of something bigger. Frank Kenna, CEO of The Marlin Company, the workplace communication experts, was also really helpful and there for us with research when needed.

The support from other authors that I've admired was humbling; Tim Sanders, Keith Ferrazzi, Larry Haughton, Chester Elton and Keith Rosen all were there for me and offered their help as needed.

I'd also like to thank our book review team: managers Sue Burger from AOL, Grant Eppler from Heinz, Gary Cormier from Brass Ring, and Brad Simmons from Experian. Their insights, as well as those who are profiled within this book and the survey respondents who gave elaborate detail, provided additional insights that really helped shape the solutions put forth.

I must also take time to thank those who took my 7:30 a.m. calls almost on a daily basis, and played a key role in the book's content. They are my board of advisors. These folks kept me sane, inspired me, and been there through whatever life brings: Pat Shaughnessy, Mary Furlong, Charlie Warner, Mark Chassman, Byron Elton, Dave Hoover, Shawn Campbell, Jeff Gordon and Marc Sternberg—you mean the world to me.

Finally, thanks to Dilbert and the cast of the television show "The Office." These characters, while making me laugh, regularly demonstrated the pathetic state of management and fueled the frustration and discontent that led me to action and ignited the team of warriors who joined me. Let's hope a day comes when their comedy is based on the past, not the present.



ABOUT THE AUTHOR

Vincent Thompson, principal at Middleshift Consulting, works with Internet companies to design world-class online marketing solutions and build sales organizations. His clients include Napster, StarStyle.com and Break.com.

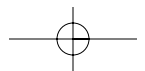
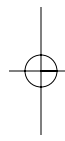
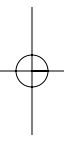
Thompson has spent fifteen years as a middle manager leading teams in challenging industries and hotbeds for learning: first in restaurants, then in television, and now in the Internet business.

He spent seven years as Regional Vice President of Sales for America Online.

There, he designed AOL's sales training organization, managed teams in San Francisco, Los Angeles, Chicago, and Dulles, VA; and served as Regional Vice President of AOL's Southwestern Region, where his teams led AOL's West Coast Entertainment and Auto relationships.

He is a featured online expert in the Quantum Training Series, has spoken widely on online advertising, and has contributed to the Iowa Press textbook *Media Selling*.

Thompson holds an undergraduate degree in Communications from the University of Southern California's Annenberg School of Communications, and an MBA from Pepperdine University. He lives in Los Angeles, California with his wife and two daughters.



INTRODUCTION: LIVING IN QUAKE COUNTRY

Scene One: Somewhere on the Highway

One hand on the wheel, tall coffee in the other, the highway bends right as the eastern sun warms the asphalt. Flipping down the visor and glancing at the dash, it's 7:05 a.m. and your workday has just begun.

A shot of adrenaline... the call-in number... where's the call-in number? I thought I wrote it down. The Blackberry... where's the Blackberry? Got it... charged? Good... scroll baby scroll. Earpiece... got it. Ah, here's the number and my passcode. Radio volume down... dialing... a beat and... the sweet sound of Muzak. First onto the call!

Yikes! Flash of red lights, brakes, tires screech. Coughing on brake dust. Another traffic jam. Slow to a crawl. Pull out those time sheets—might as well get a little paperwork done while I wait for the call-in to start.

Beep... Cincinnati in... beep... Miami in... beep... San Francisco in... great, we're rolling now. HR kicks off : "Here's this morning's news. Don't jump all over me, people—I'm just the messenger."

Chicago is squawking. "What?! No way! The merit increases are *done*? They went out in the checks before anyone got a chance to inform the managers?"

San Francisco chimes in. "Let me understand this... when my people go online this morning, they'll be able to look at their checks and see their

annual salary increases? My team will know what they got before I can talk to them? I thought we'd have some notice. I thought I'd get to sit down with everyone and discuss. It'd be less of a problem if we were talking 10 percent increases, but with 2 percent the average and some receiving nothing, this is gonna be ugly. Especially after the pressure we put on folks in the fourth quarter."

Denver sums it all up. "Hey, guys—thanks for dropping another time bomb in our laps."

And the people at headquarters wonder why morale is down and turnover is up.

It's 7:12 now and you're beyond caffeine, into high gear. Appointments to be moved, calls to be made, relationships to be nurtured or mended. Listening and more listening. At the same time, projects to push, goals to meet, customers to service. E-mail, instant messages, salesforce and PeopleSoft. Everyone wanting reports about everything. (Does anyone ever read them?) And now this screw-up from headquarters. No wonder your stomach's churning.

What a job. Crisis upon crisis. Like working in the trauma room. But are the fixes sticking? And why are you struck with these problems in the first place?

It shouldn't have to be like this. Your people deserve better. *You* deserve better. And you know it can be done. That's why you answered the call to work in management in the first place.

Is This You?

Do you have a boss who's not the CEO? Do you have direct reports? Does their success depend on you and your success depend on them?

Welcome to The Middle. The Middle is more often defined by the questions surrounding it than by the value it creates.

On any day of the week and sometimes weekends, your job in The Middle is tough. Add to that the familiar challenges you face outside of work—the pressures of family life, a kid who needs help with math, a dog

that wants to play catch, the new diet to start, eldercare, prescriptions, finances, 401(k)s and 529(b)s. More to do at work. More to do outside of work. You feel trapped by the confines of time.

To cope with the new realities, you work eight hours a week more than your parents did and sleep two hours less a night than your grandparents. (It's not your imagination—we have the survey figures to prove it.) Everyone is looking for ways to save time, collapse time, expand time. Those who can't do it sacrifice sleep, to the detriment of their health. Otherwise, they increasingly fall behind.

Is this you?

If so, you're not alone. There are 5.4 million managers leading teams in more than 30,000 U.S. firms. They spend each day pressured from above and below, searching for the answers that matter.

But for too many managers the existing answers fall far short. In a national survey of middle managers (Fall 2005), Accenture found that the level of satisfaction that manager's reported with their companies had collapsed from 67 percent in 2004 to 48 percent in 2005. The output of this collapse is reflected in their actions. According to Accenture, 58 percent of U.S. managers are open to changing jobs and 30 percent are currently looking to make a change. In other words, more than half of the managers leading our national workforce today are ready to walk out the door—leaving their teams, their companies, and for some, if necessary, their homes and communities, behind in hopes of making a fresh start elsewhere.

This came as shocking news to some business leaders. But many managers had seen it building for years—years in which managers in The Middle have been displaced by technology, de-positioned by consultants, handcuffed by red tape, distracted by mergers, spoofed in the media, and denigrated as low-value bureaucrats. No wonder so many managers lost their way and (worse) lost their desire.

Is this you? If so, welcome to Quake Country.

Quake Country

Today's managers no longer live on safe, high ground. Instead, they live in Quake Country, where the land has been eroded, squeezed, and shifted like the ground surrounding the San Andreas fault. It's a place where, as one manager told us, "It seems as if every time I get some forward momentum, the ground falls out from under me."

In Quake Country, technology, competition, innovation, and social change are all in a continuous state of hyperdrive. No wonder the business shocks are coming with greater frequency than ever before. We see the effects each morning in *The Wall Street Journal*, with some companies seemingly springing to prominence overnight while others are pushed into irrelevance just as fast.

Look at my own business: the world of media, information, and entertainment. In just the past five years, the music business has been changed forever by file-sharing, Internet radio, ring tones, subscription services, and the iPod. Netflix revolutionized the movie rental landscape. Then, just as Blockbuster and Wal-Mart adopt the new rental model, online distribution of movies and pay-per-view suddenly alter the playing field again. With DVRs, video online, and user-created content, what will happen to commercials and the future of advertising? No one knows.

The same sense of uncertainty permeates almost every industry. What about manufacturing—will it all migrate to low-wage sweatshops in the developing nations of Latin America, Asia, and Africa? What about healthcare—where's the solution to the looming crisis of 45 million uninsured and soaring health care premiums that threaten to bankrupt big employers? What about the service economy, the supposed replacement for the old industrial economy—will software development and financial management and customer relations all be outsourced to India, Singapore, and Malaysia? What about banking and finance, roiled by deregulation and wave upon wave of mergers and acquisitions—which of yesterday's great firms will still be standing three years from today? Who knows?

Quake Country is a land of perpetual change. A place where companies merge, morph, rise, and fall at an ever-accelerating pace. Where the

only thing certain about the latest management buzz phrases—from “failing fast,” “coopetition,” and “cannibalization” to “process commoditization,” “productive friction,” and “social networking”—is that they will be replaced by new ones tomorrow, each change leaving the essential business problems unresolved.

On the level of CEO firings, corporate bankruptcies, class action suits, and antitrust actions, the news media follow the action intensely, almost obsessively. But what they rarely discuss is the life within these troubled companies. How are the people in The Middle dealing with the changes? How are they accomplishing the work of their companies? How are their lives being distorted, their families dislocated, their careers disrupted? Most important, what can they do to survive, even thrive, in the midst of corporate chaos?

Life in Quake Country can be deeply scary. The fact that this reality is rarely spoken about outside the office of the career counselor or psychotherapist doesn't help matters.

Sorry, We Seem to Have a Bad Connection

In Quake Country, corporate strategies are changing faster than ever. They have to. The threats and opportunities are coming faster, and the board of directors and the big investors want answers. So the suits on executive row (where every floor is carpeted, every wall paneled, every lunch catered, every voice hushed) scramble with their consultants to serve up Strategy du Jour, hoping the latest idea will impress the analysts on Wall Street and placate the pension managers and mutual funds.

Unfortunately, at any given time most of the workforce is unaware of or disconnected from the corporate goals. A recent poll of almost 8,000 full-time employees by Harris Interactive offers the following sobering facts:

- Fully one-third of workers feel they are at a dead-end in their current jobs, and 42 percent say they are “trying to cope with feelings of burnout.”
- Only 37 percent believe that their “top management displays integrity and morality.”

- Only 29 percent say that their “top management is committed to advancing the skills of employees.”
- Fewer than half say they “really care about the fate of this organization.”¹

Burnout. Cynicism. Disconnection. How fun can this be?

It’s also a proven recipe for corporate failure. After all, the key to success in any large organization is connecting the dots, plugging people into something they can believe in and giving them a clear and meaningful way to contribute. The faster and better this is done, the faster companies reach their goals and poise for the next leap forward.

Managers in The Middle are the connective tissue in their organizations. Only they have the ground-level expertise required for success, the links to people above and below them in the corporate structure, the insights into customer needs, competitive realities, and the organization’s strengths and weaknesses. As Quy Nguyen Huy put it in the *Harvard Business Review*, “A new executive’s fresh ideas don’t have a prayer of succeeding unless they are married with the operating skills, vast networks, and credibility of veteran middle managers.”² Sadly, this is a truth that many companies have forgotten. They roll out new strategies without taking the time to consult with or even inform the people who hold the key to their success . . . the women and men in The Middle.

The research for this book involved an extensive online survey and more than 100 in-depth interviews with managers in a range of industries from companies like Bank of America, Gateway, ABC, Nordstrom, Harrah’s, and Airbus. This research underscores the troubling facts about how disconnected managers feel from the companies they work for.

Sixty-five percent of the managers surveyed feel squeezed rather than empowered by their roles. They talk about unclear lines of authority within their organizations, constant turf battles that no one dares to

¹ “Many U.S. Employees Have Negative Attitudes To Their Jobs, Employers and Top Managers.”

The Harris Poll #38, May 6, 2005. Harris Interactive. Available online at http://www.harrisinteractive.com/harris_poll/index.asp?PID=568.

² Quy Nguyen Huy, “In Praise of Middle Managers.” *Harvard Business Review*, September 2002, page 72.

mediate, and frequent encroachments into their relationships with their teams which diminish their roles and erode the trust they've worked so hard to build. Forty-five percent have problems navigating big ideas through their organizations—each one an opportunity lost through sheer organizational inertia, confusion, and dysfunction.

The symptoms of corporate disconnection described by the interviewees are numerous:

- Goals that don't align, policies that conflict, and contradictory interpretations of company priorities.
- HR policies that offend and impede employees rather than support and encourage them.
- Arduous reporting requirements that reflect a lack of trust rather than any real need for information.
- Corporate mergers, acquisitions, divestitures, and reorganizations that produce no value while consuming vast amounts of employee energy.
- Turf wars between company fiefdoms whose chieftains concentrate more on protecting their prerogatives than on advancing corporate goals.

Most managers caught in *The Middle* paint a dismal picture of their current roles and the struggles they must wage every day.

How did this happen? How did American business—once envied the world over for its efficiency and effectiveness—turn into this depressing morass?

The Untold History of The Middle

Managers in the modern sense were born out of the command-and-control structure that characterized American industry in the early and middle decades of the twentieth century. The model was a military one, as Frederick Taylor (widely considered history's first business consultant) acknowledged when he wrote his classic book *The Principles of Scientific Management* in 1911.

Among other topics, Taylor was concerned with the concept of *soldiering*—a quasi-military approach to work in which all of the employees are treated as essentially identical, interchangeable parts. Taylor noticed that the soldiering mentality, while it encouraged a sense of discipline, cohesion, and pride, also had at least one major negative effect: It discouraged individual workers from exerting the initiative needed to *excel* on the job.

Taylor was puzzled. How could the man who extended himself after work hours to star on the baseball diamond be content to produce no more than any other worker at the factory? It was a matter of incentives. Because (in the industrial system of the time) all the workers at a given level were paid practically the same amount, there was no reason to work harder in hopes of excelling. In fact, if one superstar put in an outstanding performance, he might highlight the inadequacies of his fellow team members and cause them to lose their jobs—a sin against the virtue of group solidarity that was part of the soldiering ethic.

Taylor urged business to combat the problem by differentiating between poor, good, and excellent workers through incentive pay and promotions. And some businesses did so, to an extent. But the simplicity and simply-to-manage uniformity of the soldiering mentality led many companies to retain rigidly restrictive job and pay scales through most of the twentieth century, despite the negative impact they had on worker incentives and morale.

After World War II, an entire workforce of discharged GIs applied their military experience to the task of building the hierarchies that would rule American business during the 1950s, 60s, and 70s—decades of enormous growth driven by overwhelming demographic trends (including the rise of the vast Baby Boom generation), the explosion of demand that had been pent up during the years of Depression and war, the rebuilding of Europe and Asia, and huge government-sponsored projects such as the arms race, the space race, and the building of the interstate highway system.

It was during this post-war period that many of the familiar structures of corporate life were created. Pay scales, job descriptions, hierarchical levels through which power and information flowed from top to

bottom, and the formulation of corporate strategies at the executive level to be carried out by those at the bottom of the pyramid—all these systems were created during this period. Simple business models focused on efficiency were implemented virtually unchallenged. The role of the manager was primarily to count things: What's the status of inventory? How many people showed up to work today? What was our profit margin last month, last quarter, last fiscal year? The answers took the form of numbers, and getting the numbers right was the greatest challenge most managers faced.

Was this an especially creative or effective way to run large organizations? Not really. But during the first quarter century after World War II, the forces driving global growth were so overwhelmingly powerful that (frankly) almost no amount of mismanagement could have prevented the IBMs, GEs, and GMs of the world from thriving. And millions of managers in The Middle thrived with them. Companies got bigger and eventually got bloated. Any semi-competent worker with a college degree and a decent haircut could count on a reasonable lifetime career pushing paper from one level of management to the next.

Things began to change in the late 1970s. Growth at U.S. companies began to slow as the Baby Boom faded and the rebuilt nations of Europe and Asia suddenly started producing serious competitors for global business—a generation of Sonys and Toyotas and Volkswagens and Airbuses and Nokias. Annual 10 percent increases in sales and profits and salaries gradually downshifted to 7 percent, then 5 percent, then 2.

At the same time, technology began reshaping American business at an increasing rate. Suddenly a good part of the information that used to pass from executive to executive through memos, golf game conversations, and closed-door meetings was available in databases accessible to all. The manager who held so much power through the control of information was relegated to learning much of that information in real-time along with his or her team members. In an era of computerization, managers were no longer needed for counting widgets or profits or employee work hours—machines kept track of all that data with greater accuracy and speed than people ever could.

As a result, an entire movement toward reducing the number of managers emerged in the 1980s and 90s. It took many names and forms:

delayering, downsizing, rightsizing, reengineering. Under whatever name, the rhetoric was powerful: “Fewer layers will mean a concomitant dismantling of entrenched bureaucracies. As layers are discarded, information will travel much more freely and quickly.”³ “Middle management, as we currently know it, will simply disappear. Overall, we expect to see a 75 percent reduction among the middle management workforce.”⁴

The new legions of consultants now being churned out by MBA programs across the country fervently sold the idea of leaner and faster organizations. Top management liked the idea because it promised cost reductions and an opportunity to eliminate the people in The Middle who had always served as a filter to their ideas and strategies. Technology companies offered digital fixes that promised amazing efficiency gains: “Implement our tax software and save money on accountants! Install our database program and save money on clerks! Use our customer service management program and save money on marketers!” For a time, our industrial-age accounting models even seemed to confirm that business was heading in the right direction.

Many workers on the front lines (especially the hungry young Generation Xers who succeeded the Baby Boomers and resented their self-absorption and dominating numbers) also bought into the idea of delayering. They accepted the consultants’ promises of “empowerment” at face value. They believed that a world with fewer managers would be a world of freedom and democracy.

Unfortunately, neither the top brass nor the front-line workers were pleased by the actual results that “delayering” produced. According to one study, two-thirds of companies that eliminated middle managers in order to downsize experienced productivity declines, half experienced *no* increase in profits, and fully 86 percent experienced serious declines in morale.⁵

³ Anne Skagen, “The Incredible Shrinking Organization: What Does It Mean for Middle Managers?” *Supervisory Management*, January 1992, page 1.

⁴ Donna Brown Hogarty, “The Future of Middle Managers.” *Management Review*, September 1993, page 51.

⁵ David N. Williams, *Mining the Middle Ground: Developing Middle Managers for Strategic Change*. Boca Raton, FL: CRC Press, 2001.

Today, few organizations still have the naïve faith in delayering they once had. But the damaging impact of this trend on managers in The Middle is still evident everywhere.

Listen to this manager: “Now everything’s different. The bosses created empowered multifunctional teams to do the big development projects and the teams report directly to the bosses, not to me anymore. So, what’s my role? I can no longer tell the engineers what to do, at least not with the big projects.”⁶

Or this manager’s honest blog entry: “I am a middle manager at a software company in the lovely town of Seattle. Although I’ll tell you that I was once a top developer (and I have a shelf of awards in my office that you can ‘accidentally’ see), I fear that my current role managing a team of developers and years of career development training have left me without a useful purpose. Does my team laugh at my jokes only because they have to? Do they think I’m some pointy-haired shill who can’t code his way out of a paper bag? It worries me.”⁷

Managers like these don’t know how to contribute any longer. They’ve lost their way. And their numbers are far greater than most companies are willing to admit. Can you relate?

So Why Do We Do This?

If life in The Middle is so stressful, frustrating, unrewarding, confusing, and depressing, why does anyone live there? Why not drop out of the corporate grind and try to make a go of it as an entrepreneur, a school-teacher, a carpenter, a shopkeeper, or a nurse?

Many people *have* dropped out. The ranks of the self-employed have grown enormously in recent years. For some, self-employment is an ideal solution. When you run your own shop, the only rules are the ones you establish. There are no time-sucking meetings, no paperwork, no command-and-control hierarchy. All the value you create goes to your

⁶ Philip A. Himmelfarb, “Middle Management’s Role in Promoting Fast New-Product Development.” *Quality Digest*, March, 1996. Online at <http://www.qualitydigest.com/mar/newprod.html>.

⁷ “I’m Not David Brent (I Hope I Hope).” Online at <http://blogs.msdn.com/mikecal/>.

benefit, or that of your family. For someone with the right personality and business skills, the freelance way is liberating and rewarding.

But not everyone has that temperament. It's true that self-employment has no red tape, no petty rules, no restrictions on your freedom. It also has no economic safety net, no colleagues with whom to share problems and triumphs, no financial or managerial resources to fall back on, no health insurance or paid vacation or pension plan. For millions of people who *like* working closely with other people every day and *enjoy* the benefits of being part of a large and powerful organization, life within a corporation could be deeply satisfying...except it isn't.

For most managers, the motivation to remain inside the company is pretty simple, really. *They want to make a difference.* Our interviews and surveys confirmed just that. Managers are hand raisers. They want to participate, gain new responsibilities, make their companies better, and make a positive difference in the lives of the people around them.

For such people, dropping out is not the answer. Changing jobs may not be the answer, either. In many cases, those who do change jobs find themselves trading one unpleasant reality for another equally discouraging one—and worse, may even find themselves achieving far less success.

In 1980, Harvard professor John Kotter shattered some myths about management in his groundbreaking book *The General Managers*. Kotter argued—contrary to popular belief—that managers need a great deal of specialized information and skill in order to be successful. Thus, according to Kotter, the best managers don't reach their highest degrees of competency until they've been in their jobs for six to ten years. The familiar assumption that someone with good management skills can rapidly and easily move between companies or even between industries is simply not true. The expertise of a veteran manager is fundamentally *not* portable.

We're not saying managers shouldn't seek new opportunities. But managers who shift jobs should be running *to* something, not *away* from something.

Middleshift is about a better solution—a way to stay within the corporation and begin making the kind of real difference we want to make, taking back our businesses, careers, and lives in the process.

The Middleshift Moment

It really is up to us—the managers in The Middle—to make the changes we know are necessary. And despite the many negatives about today’s workplace that we’ve already listed, there are signs that *now* may be a time when the opportunity to make massive changes in the world of work is greater than ever before.

What are the indications that we may be on the verge of a dramatic shift in the nature of life in The Middle—for the better? Here are a few:

- **Demographic change.** As the Baby Boomers approach 60 and prepare to retire, there will be a vacuum of leadership at the top. The vacuum will be exacerbated by the exodus of managers who abandon corporate life for the entrepreneur’s or freelancer’s road. (Hence an estimate by *BusinessWeek* that some 24 percent of all middle management positions will be vacant in the next few years.) Tomorrow’s leadership positions are going to be filled by managers of today who can figure out how best to prepare themselves for the opportunities ahead.
- **The increasing complexity of the business world.** As business becomes increasingly globalized, outsourced, and technology-driven, the complexity of everyday management challenges grows. Companies must rely on managers in The Middle to carry out their corporate strategies, which are often based on complicated networking relationships among manufacturers, marketers, distributors, and customers in many countries around the world. This means that the sophistication and skill of the managers in The Middle are more important than ever—giving those managers greater leverage and bargaining power than they’ve previously enjoyed.
- **Growing corporate flexibility.** You read earlier about the “soldiering” mentality that pervaded business in the era of Frederic Taylor. One positive result of the reengineering movement of the 1990s was the smashing of the old military-style corporate hierarchy, with its rigid job ladders and pay scales. And with the failure of delayering has come a new appreciation of the importance of managers in The Middle—and a growing recognition

that companies must attract and reward them. In the future, compensation packages will be customized and personalized; for the best managers, standard pay scales will not apply.

There's a real window of opportunity here for managers in The Middle to seize the power, purpose, and success they deserve. And if they do this right, the benefits will flow to their companies as well. A new, *genuinely* empowered generation of managers can steer their companies off the paths that have led so many into scandals, unnecessary layoffs, catastrophic misreadings of the market, and other disasters. They can bring about a creative renaissance of American business, a time of renewed profitability, shared value, and productivity that will benefit everyone in the country.

This combination of changes is what we call *Middleshift*—the coming rebirth of purpose and power that managers in The Middle can experience if they choose to make it happen.

It's time for another "greatest generation." Let it be Us.

The Fulcrum

Imagine corporate vision on one side and the company's front-line contributors and customers on the other. The manager resides between them at a critical point where leverage and energy come together. This is the *fulcrum*, the power base from which the manager operates.

For too long, too many managers have allowed their fulcrum to fall below the two sides, becoming much less valuable in the process. They failed to rise up and satisfy the intense pressure exerted by corporate vision on one side and the needs of the front-line workers and customers on the other. They spent their days tackling immediate tasks rather than broader strategic challenges, and thereby failed to harness all of their potential power. They let opposing forces de-position them.

The most successful managers' fulcrum point flexes to a place *above* the corporate vision and front-line/customer sides. These managers enjoy the respect and support of both their leaders and their followers. They are also perceived by their peers as the best people with which to partner.

These are Middleshift managers, and their elevation of the fulcrum point to its highest possible level represents the power of Middleshift at its best (see Figure 1.1).

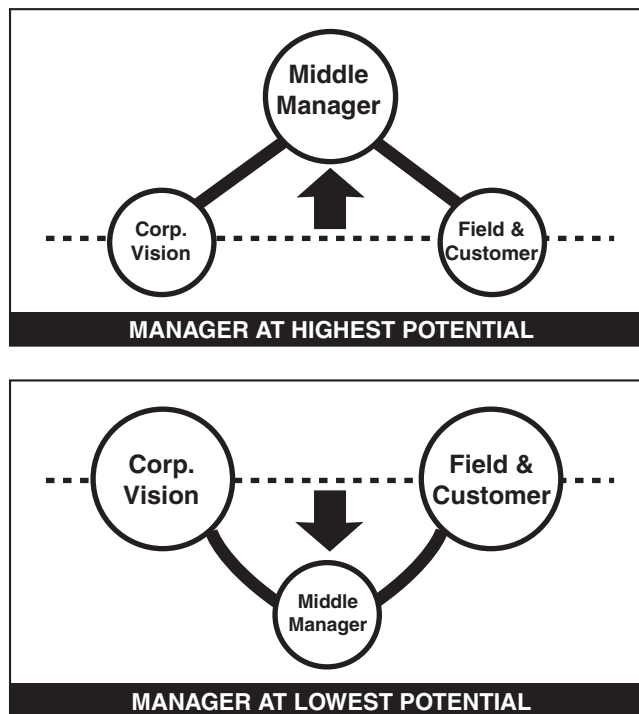


Figure 1-1 The Manager's Shifting Fulcrum.

Exploring Middleshift

Some business books give you a couple of theories, analyze them ad nauseum, and then send you on your way with little sense as to how you can apply them to your real-world job on Monday morning. Other books throw so many ideas at you that it's hard to figure out where to get started and even harder to determine which ideas will benefit you most. Still others offer compelling ideas that demand a wholesale reorganization of the company or an entirely new corporate strategy—in other words, ideas that can only be implemented by the CEO. Books like these tend to leave managers in The Middle more frustrated, not less.

In *Middleshift*, we'll try to avoid those pitfalls by laying out clear and practical steps that will deliver you more power, more purpose, and more success starting today. We recognize the realities that you must deal with every day as a manager in The Middle—limited power, restrictive corporate policies, financial constraints—and will offer concrete ideas about how to overcome the negatives and even (sometimes) transform them into positives.

We also recognize that your goals in life are not identical to the goals of your company—that life in The Middle is, in part, about balancing your personal needs with the often draconian demands of the corporate system. For most managers, a time comes (sooner or later) when the two things simply *can't* be happily balanced any longer—when their incompatibility is such that a parting of the ways is necessary. We'll look at this reality and offer our best advice about how to make those turning points work for you, not against you.

If all this sounds appealing, you've picked up the right book. Here's a road map of what to expect as we travel the following pages together.

Part I, "More Power," offers some basic tools for improving the thinking and behavior of managers in The Middle. If you are a seasoned and emotionally intelligent manager, these principles will speak loudly to you. Much of what you've learned from your most successful managerial experiences will be reinforced; lessons you may have missed or forgotten somewhere along the way will be provided; familiar wisdom will be offered with a new twist that (we hope) will make it more valuable and practical than ever before.

If you're just getting settled in as a manager, we hope that this section will really propel you forward. We've seen the ideas in Part I enable first-year managers to achieve third-year levels of performance. We wish the same for you.

Part II, "More Purpose," is about seven Touchstones that are keys to the unique value that managers in The Middle can create. As we've noted, those in The Middle are uniquely positioned to transform broad corporate strategies into concrete programs that produce profits; to transform grand visions into specific actions that improve companies and attract customers; and to transform collections of well-meaning but

uninvolved and unmotivated employees into a unified force for creativity and productivity that produces financial and personal rewards for everyone. The Touchstones are the tools you must understand and use to make these changes happen.

Finally, Part III, “More Success,” is about making a life even as you are making a living. Business success is wonderful and important, but achieving balance among the things that really matter is even more essential to ultimate happiness. It’s not always easy, especially for managers struggling to survive life in today’s corporate Quake Country. In these chapters, we’ll offer insights about finding your own balance, however you define it.

Intrigued? Excited? Great—let’s get started on creating the Middleshift together.

