



YOUR KINDLE NOTES FOR:

High Output Management

by Andrew S. Grove

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59 Highlights

Highlight (Yellow) | Location 163

You need to try to do the impossible, to anticipate the unexpected. And when the unexpected happens, you should double your efforts to make order from the disorder it creates in your life. The motto I'm advocating is "Let chaos reign, then rein in chaos."

Highlight (Yellow) | Location 184

The output of a manager is the output of the organizational units under his or her supervision or influence. The question then becomes, what can managers do to increase the output of their teams? Put another way, what specifically should they be doing during the day when a virtually limitless number of possible tasks calls for their attention? To give you a way to answer the question, I introduce the concept of managerial leverage, which measures the impact of what managers do to increase the output of their teams. High managerial productivity, I argue, depends largely on choosing to perform tasks that possess high leverage.

Highlight (Yellow) | Location 293

A manager's skills and knowledge are only valuable if she uses them to get more leverage from her people.

Highlight (Yellow) | Location 297

"When a person is not doing his job, there can only be two reasons for it. The person either can't do it or won't do it; he is either not capable or not motivated." This insight enables a manager to dramatically focus her efforts. All you can do to improve the output of an employee is motivate and train. There is nothing else.

Highlight (Yellow) | Location 303

energy put in early in the process pays off tenfold and energy put in at the end of the program pays off negative tenfold.

Highlight (Yellow) | Location 328

If the employee is immature in the task, then hands-on training is essential. If the employee is more mature, then a delegate approach is warranted. Andy presents a great example of this: "The subordinate did poor work. My

associate's reaction: 'He has to make his own mistakes. That's how he learns!' The problem with this is that the subordinate's tuition is paid by his customers. And that is absolutely wrong."

Highlight (Yellow) | Location 335

Finally, he reiterates his thesis that there are only two ways in which a manager can impact an employee's output: motivation and training. If you are not training, then you are basically neglecting half the job.

Highlight (Yellow) | Location 355

The bubble had burst for the first wave of Internet companies nearly a year prior, so it surprised me that so many of them had not seen this coming. Andy replied with an answer that I did not expect: "CEOs always act on leading indicators of good news, but only act on lagging indicators of bad news." "Why?" I asked him. He answered in the style resonant of his entire book: "In order to build anything great, you have to be an optimist, because by definition you are trying to do something that most people would consider impossible. Optimists most certainly do not listen to leading indicators of bad news."

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But a genuinely effective indicator will cover the output of the work unit and not simply the activity involved. Obviously, you measure a salesman by the orders he gets (output), not by the calls he makes (activity).

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It is important to understand that a manager will find himself engaging in an array of activities in order to affect output. As the middle managers I queried said, a manager must form opinions and make judgments, he must provide direction, he must allocate resources, he must detect mistakes, and so on. All these are necessary to achieve output. But output and activity are by no means the same thing.

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Reports are more a medium of self-discipline than a way to communicate information. Writing the report is important; reading it often is not.

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delegation without follow-through is abdication. You can never wash your hands of a task. Even after you delegate it, you are still responsible for its accomplishment, and monitoring the delegated task is the only practical way for you to ensure a result. Monitoring is not meddling, but means checking to make sure an activity is proceeding in line with expectations.

Highlight (Yellow) | Location 1153

Because it is easier to monitor something with which you are familiar, if you have a choice you should delegate those activities you know best.

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As a rule of thumb, a manager whose work is largely supervisory should have six to eight subordinates; three or four are too few and ten are too many. This range comes from a guideline that a manager should allocate about a half day per week to each of his subordinates.

Highlight (Yellow) | Location 1344

Accordingly, you should have one-on-ones frequently (for example, once a week) with a subordinate who is inexperienced in a specific situation and less frequently (perhaps once every few weeks) with an experienced veteran.

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A key point about a one-on-one: It should be regarded as the subordinate's meeting, with its agenda and tone set by him. There's good reason for this. Somebody needs to prepare for the meeting. The supervisor with eight subordinates would have to prepare eight times; the subordinate only once. So the latter should be asked to prepare an outline, which is very important because it forces him to think through in advance all of the issues and points he plans to raise.

Highlight (Yellow) | Location 1363

What should be covered in a one-on-one? We can start with performance figures, indicators used by the subordinate, such as incoming order rates, production output, or project status. Emphasis should be on indicators that signal trouble. The meeting should also cover anything important that has happened since the last meeting: current hiring problems, people problems in general, organizational problems and future plans, and—very, very important—potential problems. Even when a problem isn't tangible, even if it's only an intuition that something's wrong, a subordinate owes it to his supervisor to tell him, because it triggers a look into the organizational black box.

Highlight (Yellow) | Location 1395

One-on-ones should be scheduled on a rolling basis—setting up the next one as the meeting taking place ends. Other commitments can thereby be taken into account and cancellations avoided.

Highlight (Yellow) | Location 1398

What is the leverage of the one-on-one? Let's say you have a one-on-one with your subordinate every two weeks, and it lasts one and a half hours. Ninety minutes of your time can enhance the quality of your subordinate's work for two weeks, or for some eighty-plus hours, and also upgrade your understanding of what he's doing. Clearly, one-on-ones can exert enormous leverage. This happens through the development of a common base of information and similar ways of doing and handling things between the supervisor and the subordinate. And this, as noted, is the only way in which efficient and effective delegation can take place.

Highlight (Yellow) | Location 1413

also think that one-on-ones at home can help family life. As the father of two teenage daughters, I have found that the conversation in such a time together is very different in tone and kind from what we say to each other in other circumstances. The one-on-one makes each of us take the other seriously and allows subtle and complicated matters to come up for discussion. Obviously, no notes are taken, as father and daughter usually go out for dinner at a restaurant, but a family one-on-one very much resembles a business one-on-one. I strongly recommend both practices.

Highlight (Yellow) | Location 1477

Throughout, a presenter has to watch his audience like a hawk. Facial expressions and body language, among other things, will tell him if people are getting the message, if he needs to stop and go over something again, or if he is boring them and should speed up.

Highlight (Yellow) | Location 1485

Remember, you are being paid to attend the meeting, which is not meant to be a siesta in the midst of an otherwise busy day. Regard attendance at the meeting for what it is: work.

Highlight (Yellow) | Location 1494

The absolute truth is that if you don't know what you want, you won't get it. So before calling a meeting, ask yourself: What am I trying to accomplish? Then ask, is a meeting necessary? Or desirable? Or justifiable? Don't call a meeting if all the answers aren't yes.

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Thus, ideally, decision-making should occur in the middle ground, between reliance on technical knowledge on the one hand, and on the bruises one has received from having tried to implement and apply such knowledge on the other. To

Highlight (Yellow) | Location 1635

One of the reasons why people are reluctant to come out with an opinion in the presence of their peers is the fear of going against the group by stating an opinion that is different from that of the group. Consequently, the group as a whole wanders around for a while, feeling each other out, waiting for a consensus to develop before anyone risks taking a position. If and when a group consensus emerges, one of the members will state it as a group opinion ("I think our position seems to be..."), not as a personal position. After a weak statement of the group position, if the rest of the mob buys in, the position becomes more solid and is restated more forcefully.

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You can overcome the peer-group syndrome if each of the members has self-confidence, which stems in part from being familiar with the issue under consideration and from experience. But in the end self-confidence

mostly comes from a gut-level realization that nobody has ever died from making a wrong business decision, or taking inappropriate action, or being overruled. And everyone in your operation should be made to understand this.

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one of the manager's key tasks is to settle six important questions in advance: • What decision needs to be made? • When does it have to be made? • Who will decide? • Who will need to be consulted prior to making the decision? • Who will ratify or veto the decision? • Who will need to be informed of the decision?

Highlight (Yellow) | Location 1772

What do my customers want from me now? Am I satisfying them? What will they expect from me one year from now? You need to focus on the difference between what your environment demands from you now and what you expect it to demand from you a year from now. Such a difference analysis is crucial, because if your current activities satisfy the current demands placed on your business, anything more and new should be undertaken to match this difference. How you react to this difference is in fact the key outcome of the planning process.

Highlight (Yellow) | Location 2318

As for cultural values, management has to develop and nurture the common set of values, objectives, and methods essential for the existence of trust. How do we do that? One way is by articulation, by spelling out these values, objectives, and methods. The other, even more important, way is by example. If our behavior at work will be regarded as in line with the values we profess, that fosters the development of a group culture.

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This is why promotion from within tends to be the approach favored by corporations with strong corporate cultures. Bring young people in at relatively low-level, well-defined jobs with low CUA factors, and over time they will share experiences with their peers, supervisors, and subordinates and will learn the values, objectives, and methods of the organization. They will gradually accept, even flourish in, the complex world of multiple bosses and peer decision-making.

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But what do we do when for some reason we have to hire a senior person from outside the company? Like any other new hire, she too will come in having high self-interest, but inevitably we will give her an organization to manage that is in trouble; after all, that was our reason for going outside. So not only does our new manager have a tough job facing her, but her working environment will have a very high CUA. Meanwhile, she has no base of common experience with the rest of the organization and no knowledge of the methods used to help her work. All we can do is cross our fingers and hope she quickly forgets self-interest and just as quickly gets on top of her job to reduce her CUA factor. Short of that, she's probably out of luck.

Highlight (Yellow) | Location 2397

When a person is not doing his job, there can only be two reasons for it. The person either can't do it or won't do it; he is either not capable or not motivated. To determine which, we can employ a simple mental test: if the person's life depended on doing the work, could he do it? If the answer is yes, that person is not motivated; if the answer is no, he is not capable. If my life depended on playing the violin on command, I could not do it. But if I had to run a mile in six minutes, I probably could. Not that I would want to, but if my life depended on it, I probably could.

Highlight (Yellow) | Location 2426

need once satisfied stops being a need and therefore stops being a source of motivation. Simply put, if we are to create and maintain a high degree of motivation, we must keep some needs unsatisfied at all times.

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When the need to stretch is not spontaneous, management needs to create an environment to foster it. In an MBO system, for example, objectives should be set at a point high enough so that even if the individual (or organization) pushes himself hard, he will still only have a fifty-fifty chance of making them. Output will tend to be greater when everybody strives for a level of achievement beyond his immediate grasp, even though trying means failure half the time. Such goal-setting is extremely important if what you want is peak performance from yourself and your subordinates.

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So it appears that at the upper level of the need hierarchy, when one is self-actualized, money in itself is no longer a source of motivation but rather a measure of achievement.

Highlight (Yellow) | Location 2523

Money in the physiological- and security-driven modes only motivates until the need is satisfied, but money as a measure of achievement will motivate without limit.

Highlight (Yellow) | Location 2527

A simple test can be used to determine where someone is in the motivational hierarchy. If the absolute sum of a raise in salary an individual receives is important to him, he is working mostly within the physiological or safety modes. If, however, what matters to him is how his raise stacks up against what other people got, he is motivated by esteem/recognition or self-actualization, because in this case money is clearly a measure.

Highlight (Yellow) | Location 2584

Comparing our work to sports may also teach us how to cope with failure. As noted, one of the big impediments to a fully committed, highly motivated state of mind is preoccupation with failure. Yet we know that in any

competitive sport, at least 50 percent of all matches are lost. All participants know that from the outset, and yet rarely do they give up at any stage of a contest.

Highlight (Yellow) | Location 2664

An associate of mine who had always done an outstanding job hired a junior person to handle some old tasks, while he himself took on some new ones. The subordinate did poor work. My associate's reaction: "He has to make his own mistakes. That's how he learns!" The problem with this is that the subordinate's tuition is paid by his customers. And that is absolutely wrong.

Highlight (Yellow) | Location 2684

Though monitoring is on paper a manager's most productive approach, we have to work our way up to it in the real world. Even if we achieve it, if things suddenly change we have to revert quickly to the what-when-how mode. That mode is one that we don't think an enlightened manager should use. As a result, we often don't take it up until it is too late and events overwhelm us. We managers must learn to fight such prejudices and regard any management mode not as either good or bad but rather as effective or not effective, given the TRM of our subordinates within a specific working environment.

Highlight (Yellow) | Location 2768

To make an assessment less difficult, a supervisor should clarify in his own mind in advance what it is that he expects from a subordinate and then attempt to judge whether he performed to expectations. The biggest problem with most reviews is that we don't usually define what it is we want from our subordinates, and, as noted earlier, if we don't know what we want, we are surely not going to get it.

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Finally, as you review a manager, should you be judging his performance or the performance of the group under his supervision? You should be doing both. Ultimately what you are after is the performance of the group, but the manager is there to add value in some way. You need to determine what that is. You must ask: Is he doing anything with his group? Is he hiring new people? Is he training the people he has, and doing other things that are likely to improve the output of the team in the future? The most difficult issues in determining a professional's performance will be based on asking questions and making judgments of this sort.

Highlight (Yellow) | Location 2811

One big pitfall to be avoided is the "potential trap." At all times you should force yourself to assess performance, not potential.

Highlight (Yellow) | Location 2816

the performance rating of a manager cannot be higher than the one we would accord to his organization!

Highlight (Yellow) | Location 2822

By elevating someone, we are, in effect, creating role models for others in our organization. The old saying has it that when we promote our best salesman and make him a manager, we ruin a good salesman and get a bad manager. But if we think about it, we see we have no choice but to promote the good salesman. Should our worst salesman get the job? When we promote our best, we are saying to our subordinates that performance is what counts.

Highlight (Yellow) | Location 2839

How then can you be sure you are being truly heard? What techniques can you employ? Is it enough to have your subordinate paraphrase your words? I don't think so. What you must do is employ all of your sensory capabilities. To make sure you're being heard, you should watch the person you are talking to. Remember, the more complex the issue, the more prone communication is to being lost. Does your subordinate give appropriate responses to what you are saying? Does he allow himself to receive your message? If his responses—verbal and nonverbal—do not completely assure you that what you've said has gotten through, it is your responsibility to keep at it until you are satisfied that you have been heard and understood. This is what I mean by listening: employing your entire arsenal of sensory capabilities to make certain your points are being properly interpreted by your subordinate's brain. All the intelligence and good faith used to prepare your review will produce nothing unless this occurs. Your tool, to say it again, is total listening.

Highlight (Yellow) | Location 2850

All of us have had professors who lectured by looking at the blackboard, mumbling to it, and carefully avoiding direct eye contact with the class. The reason: knowing that their presentation was murky and incomprehensible, these teachers looked away from their audience to avoid confirming visually what they already knew. So don't imitate your worst professors while delivering performance reviews.

Highlight (Yellow) | Location 2867

especially when they deal with his own performance. The purpose of the review is not to cleanse your system of all the truths you may have observed about your subordinate, but to improve his performance. So here less may very well be more.

Highlight (Yellow) | Location 2906

A poor performer has a strong tendency to ignore his problem. Here a manager needs facts and examples so that he can demonstrate its reality. Progress of some sort is made when the subordinate actively denies the existence of a problem rather than ignoring it passively, as before. Evidence can overcome resistance here as well, and we enter the third stage, when the subordinate admits that there is a problem, but maintains it is not his problem. Instead he will blame others, a standard defense mechanism. Using this defense, he can continue to avoid the responsibility and burden of remedying the situation. These three steps usually follow one another in fairly rapid succession.

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It is the reviewer's job to get the subordinate to move through all of the stages to that of assuming responsibility, though finding the solution should be a shared task.

Highlight (Yellow) | Location 2943

"This is what I, as your boss, am instructing you to do. I understand that you do not see it my way. You may be right or I may be right. But I am not only empowered, I am required by the organization for which we both work to give you instructions, and this is what I want you to do..." And proceed to secure your subordinate's commitment to the course of action you want and thereafter monitor his performance against that commitment.

Highlight (Yellow) | Location 2977

If supervisors permit themselves to be prompted in one way or another, their leadership and their capacity for it will begin to appear false.

Highlight (Yellow) | Location 2994

In my experience, the best thing to do is to give your subordinate the written review sometime before the face-to-face discussion. He can then read the whole thing privately and digest it. He can react or overreact and then look at the "messages" again. By the time the two of you get together, he will be much more prepared, both emotionally and rationally.

Highlight (Yellow) | Location 3018

We know how hard it is to assess the actual past performance of our own subordinates even though we spent much time working closely with them. Here we sit somebody down and try to find out in an hour how well he is likely to perform in an entirely new environment. If performance appraisal is difficult, interviewing is just about impossible.

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Third, you are after the reasons why there may be any discrepancy between what he knew and what he did, between his capabilities and his performance.

Highlight (Yellow) | Location 3072

If, for example, you were to ask, "How good are you technically?" the interviewee might be taken back momentarily but then clear his throat and say timidly, "Well, I think I'm pretty good..." As you listen, you'll probably get a decent fix on how capable he really is. Don't worry about being blunt; direct questions tend to bring direct answers, and when they don't, they produce other forms of insight into the candidate.

Highlight (Yellow) | Location 3115

Drop what you are doing. Sit him down and ask him why he is quitting. Let him talk—don't argue about anything with him. Believe me, he's rehearsed his speech countless times during more than one sleepless night. After he's finished going through all his reasons for wanting to leave (they won't be good ones), ask him more questions. Make him talk, because after the prepared points are delivered, the real issues may come out. Don't argue, don't lecture, and don't panic. Remember, this is only the opening skirmish, not the war. And you cannot win the war here—but you can lose it! You have to convey to him by what you do that he is important to you, and you have to find out what is really troubling him. Don't try to change his mind at this point, but buy time. After he's said all he has to say, ask for whatever time you feel is necessary to prepare yourself for the next round. But know that you must follow through on whatever you've committed yourself to do.

Highlight (Yellow) | Location 3306

Some 2 percent to 4 percent of our employees' time is spent in classroom learning, and much of the instruction is given by our own managerial staff.

Highlight (Yellow) | Location 3399

Look at your calendar for the last week. Classify your activities as low-/medium-/high-leverage. Generate a plan of action to do more of the high-leverage category. (What activities will you reduce?)
