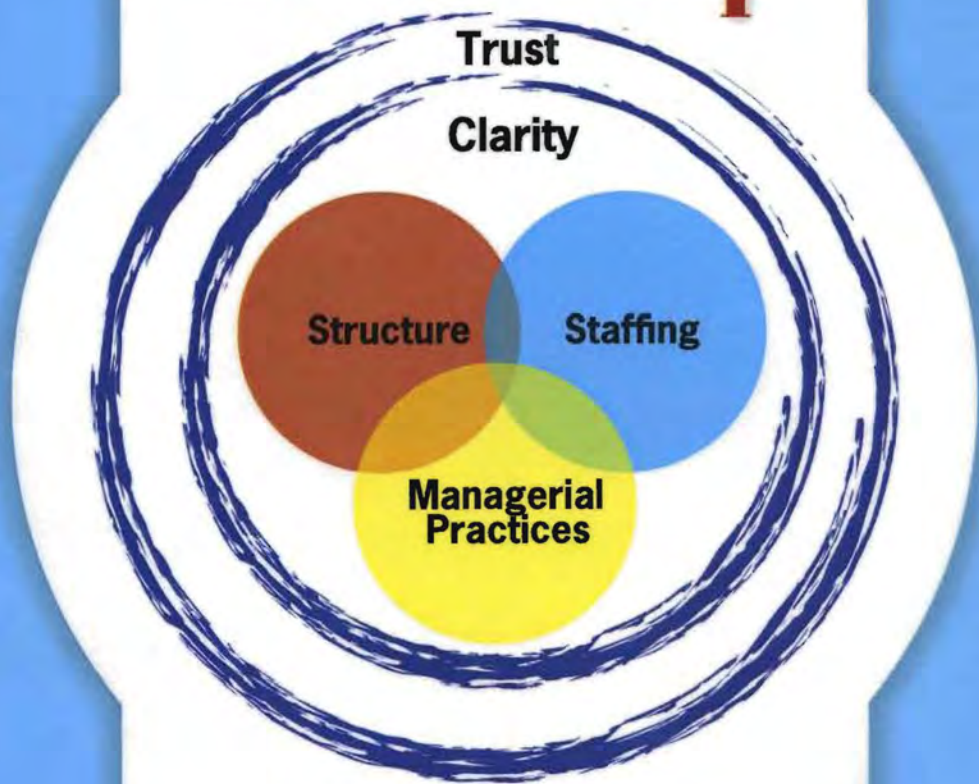


# The Practice of Managerial Leadership



**Nancy R. Lee**

## Chapter 5

# MANAGEMENT PRACTICES

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The requisite principles presented in this book underlie the managerial practices described in this chapter. This includes both senior management practices with regard to creating the organization's vision, values and culture and the practices of all managers in relation to their immediate subordinates. Requisite leadership practices can be clearly described and can be taught, which enables these practices to be established and managers to be held accountable for carrying them out.

## ORGANIZATIONAL LEADERSHIP PRACTICES

The head of an organization is accountable to provide and communicate the vision for the organization as a whole and to oversee the organization's values and culture. The leader establishes a sense of common purpose throughout the organization and sets the overarching conditions within which the employees can understand how to move together in the same direction.

### Communicating the Vision

Communicating the vision of what is to be accomplished is an essential task of the leader of any organization whether it is a corporation consisting of multiple business units, an individual business unit, a factory or a department. Anyone who heads a unit must have in mind and must communicate the vision for that unit on a continuing basis. This vision must be communicated to all members of the unit at one time, whether 80, 8,000 or 80,000 people are involved. This is now possible through the use of technology such as video conferencing. The vision is not communicated to immediate subordinates who then communicate it further down to their subordinates: this practice leads to inaccuracy and distortion of the message.

In a Stratum VII corporation the CEO will provide a vision for the corporation in a 20 to 30 year time frame, outlining where s/he, in conjunction with the board, sees the organization heading. In a Stratum V company or business unit the vision will be developed and presented in a five- to seven-year outlook and in a smaller Stratum IV company the outreach of the vision will be somewhere between two to five years.

## **Corporate Culture**

In his early work with organizations, Elliott Jaques identified and named the concept of ‘corporate culture’. Corporate culture consists of a company's values, its rules and regulations, policies and procedures, customs and practices, its traditions, beliefs and assumptions and its common language. Corporate culture can be thought of as ‘the way we do things around here’.

Corporate culture can be described, can be dealt with and can be changed. Organizational leaders can and must have the ability to modify aspects of corporate culture as part of the process of achieving the organization's goals.

For example, corporate cultures change when new technology is introduced. A new technology usually involves changing procedures and establishing new policies. The process often adds to the common corporate language. Just how the introduction of a given technology will change the culture can and should be considered and managed by the organization's leaders.

## **Corporate Values**

The principles of Requisite Organization deal with such corporate values as justice and equity, the opportunity for appeal, fair pay, and equal opportunity to use one's full capability. Corporate values exist whether they are articulated or not. They are expressed in the organization's policies and demonstrated in its practices. The values a corporation espouses and demonstrates require the attention of the organization's leader. S/he must continually review how the organization is doing things to ensure that it is in line with the overall values of the company.

The behavior of the organization's leader also has to be consistent with the corporate values. Trust and confidence are built when corporate systems are congruent with the stated values of the company and the leader's behavior and practices are consistently in line with these systems.

Contradiction is sensed by everyone and is a very substantial source of mistrust. For example, a leader may say that he wants all employees to have a balanced life with adequate time for family, friends and outside activities, but in reality people know that they will need to put in 10 to 12 hour days on a regular basis if they wish to be successful.

## **Society's Values**

The organization's leader has to understand the values of the society or societies in which the company is operating and, within reason, the company has to work

within those values. Values in Japan and Saudi Arabia are quite different from those in the United States, for example. The challenge is to understand the differences and, insofar as possible, to operate effectively in different societies while keeping values consistent with the overall company values and philosophy—no small challenge for the leaders of global corporations.

### **Private Values**

An individual's private values are his or her own business. However, as part of the employment contract, employees must behave in line with the corporate values by adhering to the requirements of corporate policies and procedures.

## **MANAGEMENT LEADERSHIP PRACTICES FOR IMMEDIATE SUBORDINATES**

All managerial roles in all functions at all levels in a requisite organization carry direct leadership accountability and authority with regard to subordinates. For this reason the term managerial leadership is used throughout in requisite work.

Requisite structure provides the basis for managerial leadership by selecting managers who are one level of capability higher than their subordinates. This gives the organization managers who are capable of working with a wider view of situations than their subordinates and who can set necessary and sufficient context for them, delegate tasks appropriately and make good judgments of personal effectiveness.

The essence of managerial leadership accountability is to enable subordinates to work together in such a way that each person can get on with his or her own work, knowing where the whole group is heading. In this way everyone moves along together and the desired outcomes are achieved.

### **Managerial Accountability**

Managerial accountability and authority were described in Chapter 1. These concepts are reviewed here because they form the basis for requisite Management Practices.

Managers are held accountable, by their managers, for:

- the work and working behavior of their subordinates and for the overall unit/department results
- exercising managerial leadership by carrying out the required Management Practices

- building and sustaining their group of subordinates as an effective team
- their own personal effectiveness

### **Minimum Managerial Authority**

In order to be held accountable for the work of their subordinates, managers need certain minimum authority with regard to immediate subordinates. This includes the authority to:

- veto the selection of a candidate they deem unsuitable for a subordinate role
- decide the assignment of tasks to their subordinates
- conduct personal effectiveness appraisals and decide pay within policy parameters
- initiate removal from role of a subordinate whom they deem unable to do the work of a role

### **Essential Management Practices**

There are a number of simple, straightforward Management Practices for which all managers are accountable. Experienced managers for the most part are familiar with these practices and know that they are necessary. For a variety of reasons many organizations do not hold managers accountable for carrying out all of these practices. One of the major reasons is that they do not have the requisite processes to enable and require them to be practiced.

In a requisite organization they must all be carried out. They are foundational to establishing clarity and trust and achieving increased effectiveness and productivity. These managerial practices include:

1. **Managerial Planning** - Determining how to achieve the goals of the unit
2. **Context Setting** - Regular updating of the background within which the work must be carried out
3. **Task Assignment** - Assigning tasks specifying quality, quantity, target completion time and resources available
4. **Managerial Coaching** - Helping individual subordinates to be able to carry out the full range of work in their role



5. **Personal Effectiveness Appraisal** - Judging how well each subordinate is working and discussing it with him/her on a regular basis
6. **Merit Review** - Annual evaluation of applied capability with a decision on compensation adjustment within policy
7. **Selection** - Practices for filling roles and choosing new subordinates
8. **Induction** - Introducing an employee to a new role and to the unit
9. **Deselection and Dismissal** – Processes for removing an employee from role
10. **Managerial Meetings** - Regular meetings with all immediate subordinates
11. **Continual Improvement** – Seeking to improve processes that the manager controls

The first three Management Practices, planning, setting context and assigning tasks, were covered in depth in Chapter Three. In this chapter the remaining eight practices are described.

## COACHING

Coaching is the process by which a manager helps subordinates to understand the full range of their individual roles, what they need to do to perform the work of that role effectively, and what they need to do in order to develop in that role. The coaching of subordinates is an ordinary part of every manager's regular activities and an essential part of a manager's continuing review of each subordinate's personal effectiveness.

In order to guide the development of a subordinate in his/her current role, the manager must have a sense of the rate of growth of that person's future potential. With this in mind, the manager seeks to provide work experiences that are consistent with that growth, providing any coaching, teaching and training necessary. The outcome from regular and appropriate coaching is continual improvement in the effectiveness of employees in their roles and the release of each employee's full capability. Managers are accountable to be proactive coaches.

Teaching and training are part of the coaching process. In order to clarify terminology that has multiple meanings, the term **teaching** is used in Requisite Organization work to describe the imparting of knowledge to individuals by

lectures and discussions. The term **training** is used to describe the process of helping individuals to develop or enhance their skills through practice, either on the job or through learning simulations. Skill that has been developed through training enables individuals to use their knowledge in problem-solving activities without having to reconstruct many of the routine decisions involved, thus freeing up the use of their judgment for other problem-solving activities.

### **Purposes of Coaching**

The purposes of coaching are to help subordinates to:

- understand the full range of opportunities in their individual roles and what they need to do to take advantage of those opportunities
- add to their knowledge and skills
- share the manager's knowledge, skills and experience
- more fully understand, and hence be able to bring their behavior more in line with, corporate values and corporate philosophy
- be aware of any behavior that may become dysfunctional at work if it continues

Coaching does not involve trying to change a subordinate's values or personality, since that is neither a concern of the manager nor of the organization. If there are major personality problems, the manager must make it clear to the subordinate that continuation of the problem behavior is unacceptable. If the situation warrants it, the manager should make time available for a subordinate to seek off-site, professional counseling, if s/he wishes to do so.

In coaching subordinates, a manager is concerned with their capability to perform the full range of work within their current roles. The manager is seeking to get work done by his/her subordinates in an effective and productive way and to enable subordinates to use their abilities fully in doing their work.

### **Counseling**

Counseling by the manager is done when someone asks for advice with a personal problem. Managers can give counsel in general terms. For example, "What someone else I know did with such a problem was this..." or, "You might think about the possibility of...". If this type of assistance is not adequate, subordinates should be referred for professional help if the situation is sufficiently serious.

## Coaching Triggers

Managers will find that the need for coaching occurs as a normal by-product of work assignments, periodic reviews of progress and the ongoing personal effectiveness appraisal process.

There are five major reasons for coaching:

- person new to the role
- progress toward achieving assigned tasks
- the need to strengthen existing skills and knowledge
- readiness for development within the current role
- specific difficulties identified by the manager or subordinate

### *Person New to the Role*

In addition to induction activities and orientation to their new role, new employees or employees in a new role usually need coaching, in order to understand what is expected.

### *Progress Toward Achieving Assigned Tasks*

A subordinate's work toward achieving his or her assigned tasks may be slower or faster than required by the manager. In either event, this situation needs to be reviewed, adjustments made to work plans, and help given to the subordinate as needed.

### *The Need to Strengthen Existing Skills and Knowledge*

Managers, both in the appraisal process and normal activities such as work assignments and meetings, will often identify areas of subordinates' skills and knowledge that need strengthening or improving.

### *Readiness for Development within Current Role*

When a manager observes that a subordinate is ready for development within his or her current role, the manager discusses this with the individual and arranges the necessary activities to enable that development. Subordinates may also request developmental opportunities. In this event the manager determines, in discussion with the employee, whether or not the person is ready for that step and whether or not it is appropriate for the organization.



### *Specific Difficulties*

Managerial coaching should take place whenever a subordinate is experiencing difficulties. This type of coaching must not be delayed until a performance review. Managers should also ask subordinates to identify areas where they may be having problems.

Problems may be related to the manager's task formulation and assignment process. For example, the goals may be too complex for the level of the subordinate's capability. There may also be difficulties regarding methods, resources, procedures or limits. These are matters to be sorted out in discussions between the manager and the subordinate. Problems may be associated with the nature of ongoing working relationships. Often these types of problems stem from the need to adjust the cross-functional accountabilities and authorities of the subordinate's role in relation to other roles.

A subordinate's temperament may cause problems. Managers need to handle such situations judiciously. As mentioned earlier, it is not the business of the manager to try to change the personality of any subordinate. It is appropriate, however, for the manager to point out the need for behavioral changes in areas where the person's temperament interferes with his/her ability to get work done. Employees should be referred for counseling if necessary.

### **Effective Managerial Coaching**

Coaching consists of discussing with subordinates where the manager believes them to be working at the present time in terms of capability, their potential in their current role, and the things they are not able to achieve at the moment. This clarity enables the manager to provide training to ensure that subordinates increase their skilled knowledge so that they can increase their applied capability and work more effectively.

As the manager identifies opportunities for growth in a subordinate's current role or deficiencies in the subordinate's performance, s/he should set aside sufficient time to discuss these issues with the subordinate as part of the ongoing coaching process. The manager indicates what the subordinate needs to learn in terms of knowledge or greater skill to improve his/her work performance, to overcome weaknesses or to solve problems.

Arising out of such a discussion, or as part of it, the manager might teach or train the individual, or arrange for teaching or training by others. As part of coaching, managers share with subordinates knowledge and skills gained from their own work experiences.

The subordinate must value this teaching, training and/or experience sharing if it is to be effective. If the subordinate does not value certain kinds of new knowledge and skills and does not benefit from the coaching, this must be taken into account when discussing his/her progress in the current role.

Coaching is one of the ways in which managers add value to their subordinates' work. It can be a time consuming process, but it is central to building subordinate confidence, loyalty and sense of teamwork and getting the work of the group done. If a subordinate is not performing satisfactorily, it is not only a problem of the person involved but of the manager as well, since it is part of the manager's accountability to provide sufficient coaching to enable subordinates to be successful in their roles.

### **MoR's Role in the Coaching Process**

The full performance of the coaching process cannot be left to managerial choice and goodwill. MoRs must see to it that their subordinates who are managers actually do coach on a continuing basis. To that end, MoRs must themselves act as appropriate role models by fully and effectively discharging their coaching accountabilities with their own subordinates. MoRs must also judge their immediate subordinates' effectiveness in coaching their own subordinates.

## **PERSONAL EFFECTIVENESS APPRAISAL**

Managers are accountable for judging the effectiveness of their subordinates in doing their work. No performance can be quantified: all of the appraisal of performance is based on the manager's judgment of how well subordinates handle the available resources and the impact of unexpected events. These judgments are some of the most important decisions managers make in terms of managerial leadership in relationship to their subordinates.

### **Performance Appraisal and Personal Effectiveness**

Confusion exists in the field of management because of what is commonly called performance appraisal. The use of the word 'performance' with regard to appraisal creates problems. Managers would generally prefer to have performance appraisal systems where there are objective indicators of output. In reality, people cannot be employed to produce designated outputs, since they cannot control the resources they are given or changing external circumstances.

People are employed to use their capability to do their best in producing the outputs that they are assigned. They should be paid for the level of capability they are able to use in working to achieve the output. For this reason the requisite

process is called personal effectiveness appraisal rather than performance appraisal.

In an organization that is requisite Manager A holds Subordinate Manager B accountable for the results of the work and results of the working behavior of Subordinate C. C works to produce the output that B assigns in terms of quantity, quality and time within resources and policy. C is employed to use his/her applied capability in working to produce the outputs that B assigns. These capabilities include creativity and the use of discretion and exercise of judgment in decision-making. Manager A appraises the effectiveness of Manager B and Manager B appraises the effectiveness of C.

### **Purposes of the Personal Effectiveness Appraisal System**

The purposes of personal effectiveness appraisals are to:

- let subordinates know how their manager judges their personal effectiveness
- provide an opportunity for subordinates to express their views and have a discussion with their manager about their personal effectiveness
- provide an opportunity for managers to coach their subordinates and develop action plans with them for improved performance
- provide input into compensation decisions

### **Applied Capability**

Applied capability in doing work in order to produce outputs was discussed in Chapter 2. An understanding of applied capability is important in judging personal effectiveness. Applied Capability is a comprehensive concept. It is a function of a person's current potential capability, of his/her valuing the work, the degree of knowledge a person has that can be used in a skilled way and an absence of negative temperament.

The less interested individuals are in what they are doing, the less commitment they have to using their full capability. In order to use applied capability as fully as possible, it is necessary for a person to value the role s/he is occupying.

An employee may choose to work below their level of capability for any number of reasons. For example, a corporate librarian in a Stratum III role, who would be capable of working at Stratum V, instead uses her capability to run a successful community theater in her free time.

Negative temperament (-T) refers to the characteristics that inhibit someone's ability to carry out assigned work. Hence, -T can affect someone's applied capability.

In determining a subordinate's personal effectiveness, managers are given a system that allows them to state their judgments in terms of the level at which that person is working. They judge how much applied capability each subordinate is bringing to bear in doing his or her work, with 'work' defined as what one does in achieving a task or goal, not the actual output.

### **Appraisal as a Continuing Process**

Personal effectiveness appraisal is not a once-a-year event. Managers and subordinates should have a continuing dialog in this regard throughout the year. In particular it is important for the manager to give the subordinate feedback whenever s/he has completed an important assignment. As part of this process, managers coach subordinates on a regular basis to help them become more effective in their roles.

The annual personal effectiveness appraisal acts as a summary of the coaching and personal effectiveness discussions held during the year. At this time targets for development in the subordinate's current role may be discussed and set for the coming year. This annual appraisal also provides input into the manager's decision about merit compensation for the subordinate.

### **Employees' Personal Effectiveness Accountabilities**

Employees are accountable for using their skills, knowledge and experience in creative ways to work toward attainment of their assigned tasks. They are expected to use their full capability in working on the tasks they are given. Employees are accountable for clarifying their assignments with their manager, if necessary, and to let their manager know when they encounter problems that prevent them from achieving their goals.

The personal effectiveness appraisal system involves honest self-assessment on the part of the subordinate. This means identifying personal strengths as well as areas for improvement. Employees are expected to spend time and energy to take advantage of opportunities afforded by the company to develop the skills and knowledge necessary to grow in their present role.

### **Equilibration, the MoR's Role in Appraisal**

As was mentioned in Chapter Three, in order for the personal effectiveness appraisal process to work properly, achieving consistency, fairness and balance,

the MoR must review all of his/her immediate managers' judgments of the level of effectiveness of their subordinates. This process is called **equilibration**. It ensures that one manager is not placing everybody up at the top all the time while another tends to give subordinates lower judgments of effectiveness and smaller salary increases. The quality of managers' judgments does vary and it is the MoR's accountability to see that employees are treated in a reasonably even manner. The more requisite the system, the less variation will be found in these judgments.

It is the accountability of managers-once-removed to do an equilibration review, at least annually, in which s/he looks at the patterns in the appraisal process in each subordinate manager's group to ensure that they are all applying reasonably common standards.

## **MERIT REVIEW**

In a requisite organization each employee is paid in accord with his/her level of applied capability as judged by his/her manager and is paid within a work band. Because a manager's complexity of information processing and the manager's role is one stratum higher than his/her subordinates, the essential conditions exist which enable a manager in a requisite organization to accurately judge personal effectiveness and to fine-tune individual pay.

The annual compensation review for an individual subordinate is part of the close working relationship between manager and subordinate in which the subordinate understands the discretion that the manager has with respect to judgments of his/her personal effectiveness.

If a manager is not coaching and providing regular feedback as to effectiveness, the subordinate can ask to have this done. If the manager is not fully carrying out these requisite Management Practices, the employee needs to ensure that his/her personal effectiveness is under review with the manager *during* the year and not a procedure that happens just once a year, causing the salary review to take place without a continuous and systematic background.

All too often organizations experience a period of several days devoted to rushed appraisals with no one getting any other work done. Then the process is forgotten for the next 12 months. Managers know they should talk with the immediate subordinates about their performance throughout the year, but in many organizations this does not happen. Requisite coaching and appraisal procedures require that personal effectiveness appraisal and coaching happen as a continuing, ongoing process.

## SELECTION

Selection of someone to fill a vacant role occurs by having the Manager-once-Removed create a slate of candidates from which the immediate manager of the role chooses a preferred candidate. This screening procedure helps ensure long term stability, as well as continuing development, of the company pool of talent.

The immediate manager is not authorized to appoint someone to the vacant role if that individual does not fit the requirements of the role as established by the MoR. MoRs are not to try to get someone placed in a role whom the immediate manager feels cannot do the work of the role. Immediate managers do not have to take any candidate whom they deem unacceptable. This is one of the minimum authorities of all managers. It ensures that managers have as subordinates only those individuals whom they judge capable of doing the work in the roles they occupy.

### The Selection Process

When a vacancy occurs, or a new role is established, the following procedure provides a process that ensures fairness and justice and enables the manager of the vacant role to select a competent new subordinate.

#### *Specifying the Role*

The first step in the selection process is to describe the requirements of the vacant role on a role specification form that includes:

- the level of work of the role which indicates the level of complexity of information processing required
- the type of role which gives an indication of the values needed for full commitment
- the major tasks in the role
- the skilled knowledge and any professional qualifications that are needed

#### *Human Resources Recommends a Full Slate to the MoR*

The second step is for Human Resources to prepare for the MoR a slate listing in alphabetical order everyone with the currently judged potential to work at the level of the role. These lists are blind with respect to gender, color, ethnicity, age and other bias. This list, for example, would include everyone judged to have mid-III potential for a mid-III role. If a wider slate is desired, the list could include everyone with low-, mid-, or high Stratum III potential.



This list should be prepared in three sections:

1. Those currently in roles one stratum or more below their potential who are being considered for a possible promotion.
2. Any individuals who have been over-promoted to roles above their potential and who would be in line for a role appropriate to their potential.
3. Employees with potential at the level of work of the role, who are in line for lateral transfers for career development.

#### *Internal and External Candidates*

An important policy with regard to fair treatment of current employees is that they are made aware of vacancies through the posting of certain roles as determined by policy. Vacancy notices should be circulated so that employees know about the vacancies and have the opportunity to apply to be considered for the slate being developed for the vacant role.

The organization has information on internal candidates with regard to judged potential capability, commitment and skilled knowledge. There is background information on their personal effectiveness from appraisals that are on file. The MoR knows many of the possible candidates from personal experience and the regular talent pool development meetings. This information is helpful in developing a slate of possible candidates from employees who are interested in, and capable of, the open position.

If external candidates are deemed desirable, these individuals can be initially screened by Human Resources and/or the MoR. The list of the best qualified internal, and if desired, external candidates is reduced to consist of those with the best qualifications.

#### *MoR Develops Short List*

Once this list is developed as described, the MoR develops a short list of individuals whom s/he judges able to fill the role requirements. In reducing the initial slate to a short list, the MoR will prepare an annotated list for discussion with the manager of the role so that his/her inputs can be taken into account.

#### *The Immediate Manager Chooses from Short List*

The immediate manager makes his/her selection from the short list. If the manager vetoes all the individuals on the short list, another short list must be prepared by the MoR. The hiring manager may exercise a veto only in terms of

his/her judgment that an individual does not have the applied capability to do the work required.

## **INDUCTION**

Induction is the process a manager uses to provide subordinates new to a role with the information necessary to do the work of that role. It is the immediate manager's accountability to let all new employees, or current employees who have been moved to a new role, know what is expected of them. Induction includes:

- a description of the role and the tasks assigned to it
- cross-functional accountability and authority
- current problems and priorities
- relevant policies and procedures
- reporting methods
- any other information that will help the employee gain a well-rounded knowledge of the role.

When an employee is new to the organization as well as the role, the manager can assign an experienced subordinate to introduce the newcomer to colleagues and significant people in other sections and help the newcomer learn about the organization. S/he should also tell the employee what it is like to work in the location, how to get around, how to get needed services and understand the customs, practices and conditions of employment.

Induction needs to take place in the first few weeks to a month. Managers are to see that employees at every level are fully introduced to their role. Sound induction helps someone new to the role quickly begin productive work. It also gives the new subordinate a reassuring sense of being in a reliable and trustworthy situation.

One organization that was implementing all requisite Management Practices found that by providing complete induction, mid level managers became fully productive within two months of assuming a new role, whereas formerly it took up to six months for this to happen.

## **DESELECTION AND DISMISSAL WITH CAUSE**

There are circumstances when the manager has to initiate the removal of a subordinate from his/her role. For example, the manager may have made a bad selection or the role may be changing in such a way that the person cannot reasonably be expected to keep up. When a manager judges that a subordinate is not able to carry out the work that is required, s/he has the authority to request this person's removal from a role, but not removal from the employment by the company. Dismissal for cause is a very different matter. The need for dismissal with cause arises when someone grossly and blatantly breaks laws, rules and regulations or when dangerous situations occur because of an employee's negligence. Both deselection and dismissal actions need to be documented in accord with company policy and legal requirements.

### *Deselection*

There is a requisite process for deselection when it is necessary because the person cannot do the work. The first step is to discuss the situation with the subordinate. If it is a case of not being able to keep up, the manager will point out where s/he judges that person's capability is unacceptable or describe to the person whatever non-performance the manager is experiencing. The subordinate in question has a chance to discuss the problem with the manager from his/her perspective. With this information in mind, the manager coaches the person and tries to help him/her improve.

If the unacceptable performance continues, the manager gives a warning and continues coaching in an effort to help the person perform successfully in that role. Throughout this process, the manager lets his/her own manager know about the situation. If there is still not sufficient improvement, the manager gives a second warning and provides continuing coaching. If the person feels unfairly treated s/he will have the opportunity to discuss it with the MoR. In this case the three people involved (the subordinate, the immediate manager and the MoR) meet to talk about the situation.

If the person continues to perform unacceptably after the discussions, the coaching and the warnings, the manager will request that the MoR, with the help of Human Resources, attempt to find alternative employment for this employee in the company. Sufficient time needs to be allowed for this to happen. If another place in the organization cannot be found, then the person will be released by HR on behalf of the company, with the same entitlements as someone let go as a result of downsizing. This is not a punitive situation.

### *Dismissal with Cause*

Dismissal with cause occurs when an employee breaks the law, behaves outside generally acceptable norms or commits a major infraction of the policies and guidelines of the company such as theft, fighting on-site or dealing in drugs. The specifics for dismissal with cause are set by corporate policy. The immediate manager refers this type of dismissal to the MoR. Human Resources is involved to ensure adherence to local and federal policies.

## **MANAGERIAL MEETINGS**

Managers at every level in the organization need to have regular meetings with their subordinates. All of a manager's immediate subordinates form the manager's team through which s/he gets the work of the unit done. Managers meet with their subordinate team to review priorities and changing conditions, problems and ideas for solutions and strategic considerations. These two-way discussions are essential for clear, continuing communication and context setting.

When decisions are required as part of a managerial meeting, it is the manager who makes the decision. Consensus, while useful, is not required. Decision making is not a group activity.

The manager meets on a regular basis with his/her full team of immediate subordinates. It is often useful for the manager to include all SoRs as well. Sometimes it is appropriate to meet with just one or more immediate subordinate managers and all of their subordinates, depending upon the issues. How frequently these various meetings are necessary depends upon circumstances. Many managers meet with their subordinate teams weekly and hold three-level meetings, including SoRs, quarterly or twice a year. One organization that was handling a critical turnaround held an audio conferencing meeting every morning involving all managers at Stratum IV and above in many locations. In rapidly changing fields such as brokerage daily meetings are quite common.

There are two major types of managerial meetings. The first is information sharing, the second is idea generation.

### *Information Sharing Meetings*

In information sharing meetings the manager provides context for the work of the unit by talking about the issues at hand and why certain kinds of tasks have been assigned. Problems are dealt with that affect the unit, the manager and his/her subordinates in terms of their collaborative work. Information sharing portions of meetings provide an opportunity for the team of subordinates to see the big picture and also to discuss issues with the manager and with each other.

Managers use information gained to make decisions in these meetings or at a later time.

### *Idea Generation Meetings*

Managers work on idea generation in meetings with subordinates when they want to deal with a problem or problems they may not know how to tackle or where they would like to consider a variety of ideas. When doing this managers work together with some or all of their subordinates and encourage them to bring forward ideas in an open discussion, usually with no decision made at the time. A method sometimes used is called 'brain-storming' where ideas are set forth without critical analysis to encourage a wide range of thinking and creativity. Idea generation meetings are important because they provide a setting in which the group has an opportunity to work together, to test each other's ideas, and to learn about each other on a continuing basis.

### *Managerial Decision Making*

Managers may make decisions in these meetings as a result of information that has come forward or s/he may make decisions at a later time. It is, of course, important to communicate these decisions.

## **CONTINUAL IMPROVEMENT**

Continual improvement activities are essential to every organization. However, setting up a separate total quality (TQM) system with committees, councils, and quality circles undermines the work of the managerial system. Improvement activities should be in the hands of managers. Committees, councils and teams cannot do the work that managers can do. They cannot be held accountable as a group.

People are hired as individuals and can only be held accountable as individuals. It is managers who must be accountable for the improvement of the processes and systems that they are providing subordinates.

A manager cannot hold subordinates who are individual contributors accountable for the improvement of the processes that they have been given to work with, but managers can hold subordinate managers accountable to achieve improvement of the processes provided by that manager to his/her subordinates.

If subordinates see ways of improving processes, they are accountable to inform the manager. Managers also discuss possibilities with subordinates for getting the work done better. This two-way working enhances everyone's effectiveness and satisfaction.

Subordinates' personal growth, or their individual continual improvement, is their own personal concern. A manager can set up conditions for subordinates within which they can achieve personal growth, but the manager cannot hold any individual personally accountable for that growth. If a person chooses not to improve his/her ability to carry out a role, when s/he has the current potential capability to do so, the manager can discuss the consequences of this choice with the individual.

### **Steps in Continual Improvement**

The steps necessary to get a solid continual improvement effort in an organization are to:

- hold managers accountable for the process
- maintain an ongoing analysis
- review and prioritize improvement projects
- provide assistance from staff specialists

#### *Hold Managers Accountable for Continual Improvement*

A continual improvement program cannot be set up as such. Continual improvement is not a program. What must be instilled throughout the managerial system is the idea that subordinates who are managers are held accountable by their managers not only for getting output through their subordinates, but also for continuously improving the processes that they control. These activities are an ordinary, ongoing part of their managerial leadership work and an important part of managerial accountability.

#### *Maintain an Ongoing Analysis*

Managers must maintain an ongoing analysis of the processes that they assign to their subordinates. This applies to work being done in all functions, all departments and at all levels. Managers need to ensure that their subordinates who are managers are paying attention to possibilities for overcoming problems where quality is suffering and not under good control.

Managers need also to ensure that, where possible, systematic, statistical methods of analysis are used. Every manager is held accountable for improving the systems within which s/he has subordinates working, since that is what the manager has control over.



### *Continual Improvement Priority List*

Managers provide their subordinate managers with a list of items that they believe ought to be their priorities for projects oriented toward overcoming the most important blockages and shortcomings in the work processes. Both people keep this list under discussion and review it on a regular basis. As the managerial subordinates get the opportunity, they establish projects that allow them to tackle the topics that are at the top of the list. The manager holds his/her managerial subordinates accountable for always having at least one improvement project going on.

### *Staff Specialists Provide Assistance*

Part of the regular work of staff specialists is to provide information and assistance to managers to enable continual improvement. For example, the HR specialists may inform managers about new legal requirements and help them revise procedures to conform to changes in the law.

### **Continual Improvement Project Teams**

Setting up a special project team is one of the best methods for tackling a particular improvement that a manager wants to get under way. Improvement projects should be established in the same way that a manager would establish any ordinary task, that is, the manager gives a subordinate manager a QQT/R in assigning the project. The managerial subordinate is to produce a particular result, i.e., an improvement in the process being worked on by the team, to a specified quality, on time, and with given resources. The managerial subordinate can either manage the quality project team directly or designate a team leader.

### **Continual Improvement on the Shop Floor**

The people who are engaged in doing the work are in a very good position to understand the work process, to know where the difficulties are, and to come up with suggestions as to what ought to be done. On the shop floor this means getting the cooperation and collaboration of operators. It is not necessary to set up self-directed teams to do this. It is essential to set up clear and effective managerial accountability, where every operator has a real, first line manager and there is no one between the operators and their first line managers.

These first line managers are held accountable for maintaining a relationship with each one of their subordinates and for operating as fully accountable managers with regular meetings with subordinates and all other managerial duties.

In a union shop first line managers are accountable for understanding the company's agreements with the trade unions and for ensuring that they work explicitly and consistently within those agreements. These are binding agreements, and the company is accountable for ensuring that they are carried out. They constitute limits or parameters within which everyone works. With these requisite conditions in place first line managers can be held accountable for continual improvement by their managers, ensuring that work is being done effectively and, if there are problems, determining where improvement efforts should be focused.

### **Continuous Systems Improvement**

In Japan in the late 1940s, Dr. W. Edwards Deming brought into focus both the statistical methods for achieving continuous reduction in process variance and the importance of attaining that reduction. Process variance reduction can be brought about by improving the methods themselves, by changing resources, and many other techniques. The aim is to move from a situation in which the control limits for processes are wide and to get those limits narrowed, so that these processes are controlled in such a way that the extent of variance is reduced. Japanese companies became excellent at continuing reduction of process variance, not just in manufacturing, but in all functions. This is the critical aim of the approach initiated and developed by Dr. Deming.

Dr. Deming taught the Japanese to introduce continuous improvement into the systems as they existed, that is, through the managerial system. He did this to ensure that first line managers were always working within quality limits, maintaining quality standards and producing their outputs just-in-time. Continual improvement is built into the managerial process: it is not a stand-alone undertaking.

America took note of Dr. Deming's work in the late 1970s. It was erroneously perceived in the U.S. that the success of Japan's continuous improvement efforts was the result of quality circles, committees and teams. However, it has always been in and through requisite managerial work that continuous improvement has been achieved in Japan. The quality circle team processes were introduced into Japanese industry in the early 1960s, a decade or more after the great changes in Japanese quality and just-in-time working had been attained.

A major contribution of Dr. Deming's work was the application of statistical methods to systematic process variance analysis. These methods have great advantage when used by managers. All managers should understand systematic, analytical approaches based on statistical analysis. Managers need to understand variance in the processes that they are controlling, ways of analyzing to find

where priorities lie, where maximum gains can be achieved by getting those processes under increasingly effective control and getting variance operating within narrower and narrower limits. This understanding leads to substantial savings in direct cost, in the speed at which work can be done and in quality.

### **Continual Improvement at Every Level**

Continual improvement is necessary throughout the organization. The corporate CEO at Stratum VII looks for continual improvement on major issues that affect the whole corporation. The Stratum V business unit president has improvement projects underway that apply to the processes governing work throughout the unit, and s/he considers and communicates where improvement priorities need to be placed throughout all of the functions. In order for improvement to go on throughout the corporation, senior managers must carry out their own accountabilities for ensuring that continuous improvement work goes on in their areas and that this accountability then cascades down through the organization.