

A Gift for Managers

Sheila Deane

Requisite Organization is often described as a major systematic change in structure and complementary management systems and practices planned and led by the CEO. This is a story about a Level 4 General Manager who leads an RO based organization and leadership reform pilot in her Group, describing it as a 'gift' to assist managers to achieve turnaround business improvement. Her success paves the way for the CEO to 'pull' this initiative through the organization as she provides exemplary demonstration of improved leadership practices in her Group and improvement of complex cross functional realignment of work processes that engage her executive committee peers.

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This is a story about how a newly appointed Level 4 General Manager led a pilot organization development project for a Level 5 led Utility. With Managing Director support, she successfully implemented an RO-based framework to deliver impressive business outcomes, solving some long term problems with the full commitment of her direct report team.

Organization features

- A publicly held utility led at Level 5 with 372 fulltime employees, AU\$1.6 billion infrastructure and assets and 1.6 million customers served.

Issues:

- Unit purpose and structure
- Systems and processes
- Management of a major AU\$18 million dollar IT project

The Intervention: Project features

- Managing Director initiated and assigned
- Level IV GM led pilot
- An RO-based Framework of integrated constructs, principles and practices dealing with business and organizational leadership, managerial leadership and relationship management

- Identification of critical business and execution issues e.g. clarification of organizational purpose, structure, role clarification, cross-organizational working, six sigma team effectiveness, major business systems project

Benefits

- Step change improvement in achievement of business objectives in eight months
- Structural changes to align roles with the value chain and its business processes
- Installation of a key staff role to ensure successful six sigma process improvement work
- Effective teamworking and task assignment to resolve long-term, complex problems

Suggested quote

“In summarizing this leadership development work I want to pass on a message from my own manager (Jenny Bailey). Jenny has offered this to us as a ‘gift’ for managers. It has become a way of thinking for her and for me and has changed the way we work in our leadership team. I am now passing this gift on to you so that as leaders we can continue this work in our own teams. In carrying this legacy forward I hope you will feel its value personally as well as the collective power of its principles.”

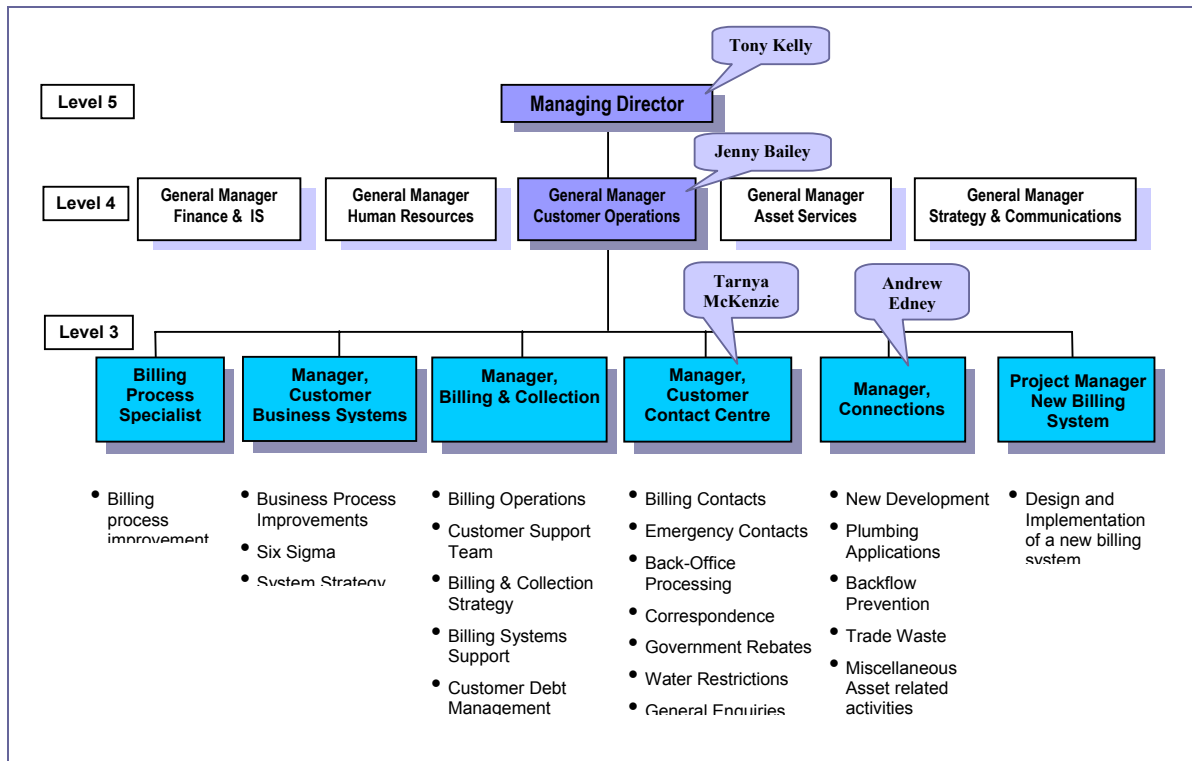
Tarnya McKenzie, Yarra Valley Water’s Call Centre Manager,
In introducing her subordinate managers to the company’s new
Requisite Organization (RO)¹ based Leadership Framework.

I had the good fortune of providing consulting support to Jenny Bailey, GM of Yarra Valley Water for Customer Operations in pilot testing my firm's RO-based Leadership Framework for the company. This article is the story of how Jenny learned the RO-based concepts and then applied them successfully in her own function and in the redesign of several of the company's key cross-functional work processes. In this story, I have tried to relate some of Jenny's feelings, thoughts, insights, and learnings as we worked together over an eight month period.

The key players in this story are:

- Yarra Valley Water (YVW), a Melbourne (Australia)-based retail water utility
- PeopleFit Australasia (PFA), a consulting company specializing in Requisite Organization-based organization and leadership development
- Tony Kelly, YVW's Managing Director
- Jenny Bailey, YVW's General Manager – Customer Operations
- Tarnya McKenzie, YVW's Customer Call Centre Manager (Customer Operations)
- Andrew Edney, YVW's Manager – Connections

Yarra Valley Water's Organization Chart (October 2006)



PeopleFit Australasia has developed a Framework-based approach to installing Requisite Organization quickly, practically and effectively. The following are some key features of the approach:

- A customized Leadership Framework of constructs, principles and practices primarily based on the work of Elliott Jaques and Wilfred Brown
- Line managers induct their subordinates into the Framework and set clear expectations and accountabilities for its application in the workplace
- Business direction, objectives, key success issues and performance measures are linked directly to application of the Framework
- The Framework-based initiatives are monitored by organization/leadership evaluation
- Specific implementation plans are developed between manager and teams to transfer concepts to real workplace improvement

Following an overview presentation and demonstration of the Framework-based approach, Tony Kelly, YVW's MD initiated a pilot organization and leadership improvement project in YVW's Customer Operations Group in March 2006. He intended to demonstrate successful implementation in a key operational group and to thus create a 'pull through' effect in the organization. The leader of that pilot project was the newly appointed General Manager of Customer Operations, Jenny Bailey.

Jenny has a BE degree, a post-graduate environmental science qualification and an MBA qualification. She is a capable, practical, action-oriented person. She reports her experience of this RO-based project has been a significant contributor to her effectiveness as a leader. Specifically she indicates that it has been a life-changing shift strongly connecting with her values about people at work and about how people should be treated in order for them to give of their best. In using the RO based principles, Jenny also reports step change improvement trends in her group since the pilot started and a growing confidence in her and her team's capability to do real continuous improvement and to tackle more complex problems.

Introducing the RO principles

Jenny told me that her introduction to the Requisite Organization principles and practices was just in time. As a newly appointed leader of this function she needed to very quickly work out what her true work was and how she could best add value to her team.

Importantly she needed to work out what she should *not* be doing.

Jenny says that she quickly came to see that improving organizational performance must start with a focus on the organizational conditions within which employees are being asked to work. She was immediately comfortable with the RO principles of trust, fairness, and

the clarity around the work of the manager and believed that the RO based Framework provided those conditions. She read widely to understand the body of theory and explored her thoughts with the author. With her background in science she has little tolerance for the management fads that come and go. As a consequence she was particularly interested in the carefully defined terms and measures that link the various components of RO's comprehensive and systematic approach, and the deep research in the development and validation of the theory that underpinned the practice.

Key issues

Jenny used the elements of the Framework to help her examine her business.

Her first task was to talk to each of her direct report managers to understand their work and their key issues and concerns. Our facilitated analysis revealed the following business and organizational issues:

Business purpose

- A lack of clarity and shared understanding of the purpose of the Group and the definition of customer satisfaction

Structure

- A lack of clarity in the team about the type of work that needed to be done at each level of complexity
- Some mismatches of person-to-role and the predictable tension and conflict between manager and direct report
- A Six Sigma team set up to service the whole organization, but with a reporting line to the GM Customer Operations, resulting in misaligned accountabilities and authorities

- The process of initiating projects and tasks and drawing on resources within the Group and across the company without the right levels of authority had resulted in a plethora of misaligned work engaging willing and committed individuals who were already suffering overload
- How to manage and set up an AU\$18 million IT billing project with significant implications for the business.

Systems and processes

- A concern about the effectiveness of cross division and cross company processes, especially relating to accountabilities and authority for ownership of steps in the processes
- The continuing discussion about the difficult and complex 'nuts' that had been around for years and hadn't or couldn't be cracked
- A focus on short-term work i.e. operational work driving out future focus work, or improving work
- A concern about getting the right measures for business improvement

Application of consistent Managerial Leadership principles

- How to assign and manage tasks to keep control of the many strands of work without interfering or 'dipping down' into the work of the team
- How to build mutual trust and accountability into the people systems so that every person knows what is expected of them and what they can expect of others in delivering their promises

The 90 Day Plan

Jenny developed a draft 90-day plan to initiate work on the key issues and then engaged her team of managers in an extended work meeting to refine the plan.

“I am fortunate to have inherited a committed and capable team. This Framework helped me to work with my team to plan our work and what we needed to do. I could see a way to get things done.”

The first big AHA! for her managers occurred during the first team workshop when they engaged the purpose of the Customer Operations Group and specifically in getting clarity around: What’s the work we do, and how do we do it? This resulted in:

- a shift from assuming sole accountability for everything relating to the customer, to accountability to provide a critical link between customers and those elsewhere in YVW who are accountable for delivering services to customers
- initiating work to clarify the continuous work processes and their role relationships with all relevant parties in the business
- working more closely within Operations to get agreements on respective accountabilities and authorities and to setting up appropriate cross functional feedback channels.

Jenny worked with her team to clarify their understanding of YVW’s value chain. They discovered that a number of processes ran across the Group and YVW without clear accountability, resulting in broken processes and process workarounds that couldn’t maximize productivity. Jenny could see this as allowing unproductive and unreliable systems.

Jenny restructured her Group focusing on the key work processes to get efficiency and effectiveness in the value chain. Using a structured teamwork process she was able to get valuable input from her team about the issues and the work needed to make the change.

As a result of this early teamwork she was able to bring her managers along the journey of discovery so that each of her managers understood clearly what needed to change and why. Where structural adjustments can be seen as threatening and painful, the need for these adjustments became obvious because this was linked to effective work flow and appropriate work complexity. She achieved the full commitment of the team to accepting clearer purpose, role accountability and matching authority.

One of Jenny's direct report managers, the manager of the Connections team, described a significant improvement in his ability to improve the output of his team through the Framework-based examination of the key processes around connecting water to a new customer. There are two elements to connecting a customer: one is the physical connection which his team was accountable for, and another is the management of data for ongoing metering services, which another manager was accountable for. The examination of the end-to-end process indicated an obvious benefit to draw both functions together under one manager. As a result the metering team was disbanded.

The manager describes his success by saying:

"I now have accountability and authority to manage the end to end process. This has enabled me to identify and quickly resolve problems through looking at systems, processes, and individual capabilities. By aligning the structure to the natural way we work, the team can 'see' the whole piece of work and are now more confident that decisions can be made to deal with the workarounds that previously existed. When they bring issues to the table, they have more influence over the system and decisions can be made quickly. This 'whole of process' picture and their improved level of influence has changed their mindset."

When Jenny had some clear ideas about the structure, she set about checking her thinking by preparing 'thumbnail' or summary descriptions of each of the roles and task

types of her direct reports. She was able to check complexity of work and alignment of work to the value chain. She reinforced these expectations in symbolic 'commissioning letters' to each of her reports to make explicit the need for delivery of outcomes against measures as well as collaboration and effective leadership. It also enabled her to shift from a drive to achieve incentive bonuses to a more holistic and systemic approach to the work.

Jenny also realized that a piece of her technical work, that is the development of methods and processes for the Group, should be assigned to a technical specialist. She established a full time level 3 staff role reporting to her directly to provide specialist support to her and her managers in the identification and improvement of the billing process. She appointed a six sigma specialist from a dedicated six sigma implementation team to this role to ensure she had the competencies to both strengthen the focus on targeted improvement work and to provide a specialist resource to enable all of her managers to deliver on their improvement targets. She believed a key to the success of this role was to engage her managers in an alignment of this new role with their roles in the team. She worked with me to design a Framework based process to align the specialist role with the core operational work.

The team developed important insights:

- They had incorrectly assumed a common picture of the complete billing process and respective accountabilities, resulting in conflict of accountability and rework
- Previous assumption of specialists' accountabilities to implement improvement processes in other managers' areas resulted in diffusion of true managerial authority and a lack of accountability for delivery of the process in their own area.
- Role clarity enabled the General Manager to reduce time in resolving accountability based conflicts and to focus on value-adding integration of the work as the cross-over manager.

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Teamwork and task assignment

There was never any question that employees in Yarra Valley Water enjoy working in the business and that they work diligently. The big question was: Is this the right work to be doing now, and are the right people doing the work?

As she began to understand the Framework Jenny saw opportunities to improve the way projects were initiated and tasks assigned. The problems were:

- Too often a person would be given a task, or self-assign desired work, without critical evaluation of how it would fit with the company's strategy and business plan
- Accountable managers were not engaged in the identification of tasks requiring input from their function or use of their resources, resulting in generation of unauthorized work across the business, with people regularly being tapped on the shoulder to do the work. The result? A large amount of work was being done without a clear link to the business priorities, without appropriate managerial approval and without reference to systems that ensure good governance such as clear budgeting, coordinative planning, and effective authority,

When Jenny first came across the task assignment model and the team working process she wondered what she could learn that was new. Hadn't her MBA given her all the management tools she needed to do her work? The Framework gave her specific tools to:

- identify the true task, its complexity and appropriate resources
- identify issues impacting success and desired outcomes with the full input and commitment of her team
- authorize the work at the right level with the right accountabilities and authorities, thus enabling her to better utilize the capability of her team
- initiate appropriate cross organization manager involvement and authorization of work where that work is required as part of her function's tasks.

Imagine the improvement incrementally in productivity when the right resources are assigned to the right work without pleading, coercing or manipulating? And if the work shouldn't be done, getting the right input to identify this and addressing it up front, rather than letting the "black widow" projects drag on miserably.

All team members realized the value of sharing in this process, not only to get a clearer context for their work but also to develop a deeper understanding of the whole task and how it was to be achieved. This enabled them to mobilize their own capability and creativity to contribute to better outcomes. Suddenly, those difficult, long-unresolved 'nuts' were being cracked open.

There were a number of significant successes. For example, YVW has a service promise to repair water leaks within 24 hours of a customer call. On some occasions the nature of the problem requires an extension to this time. In these circumstances the Call Centre had struggled for years to get an effective outcome from the Maintenance teams – mainly because the process had not been clearly articulated, and specific accountabilities for the various steps of the process had not been clarified or agreed. The result was that Maintenance would do what they thought was their role – to fix the water leak. Without a shared understanding of the whole process and an understanding of the Call Centre's role to communicate to the customer, the outcome was that communication between Operations and Call Centre did not occur in a timely way and the customer was left out of the process. Tarnya McKenzie, the manager of the Call Center used the Framework models to give her confidence to approach the manager accountable for Maintenance to work with her team to solve the problem. She facilitated a team-working session between the functions for the identification of issues and mapping of the process. With all parties in the room contributing to the issues, a clear picture of the process and who was accountable for what and why, emerged. This enabled the accountable managers to confirm processes and accountabilities and enabled YVW to consistently and reliably

deliver to the customers as promised. It also provided a method for those directly impacted by the problem to share their experiences and thoughts and commit to the agreed resolution.

The Call Center manager was delighted with the outcome:

“In using the Framework principles and the teamwork process, it was a way of unveiling the problems and revealing the issues and accountabilities in a natural way. No-one needed to have anything forced on them.”

Her experience reinforced a key idea: That is that most conflicts in organizations arise from unclear accountabilities and inadequate authority to carry out those accountabilities, not from some sort of dysfunction within the individual. The tools enable leaders of teams to take constructive and purposeful action to address the problems objectively and with the focus on the business outcome.

The manager of Connections loves the clarity around task assignment and the involvement of his team in the work:

“My team wants more of the team-working and task assigning tools. They are excited about attending a task assignment workshop because:

- *they value a process that enables their contribution and*
- *they experience accountable decision-making and resolution of long term problems.”*

Performance

Understanding the Framework based model of individual capability assessment helped Jenny and her managers to select better for roles, and to diagnose apparent performance issues. When she and her team were faced with the realization that the manager is accountable for the output of the team member, and the degree to which the team member's personal effectiveness is impacted not only by their own capability but also by organizational factors such as efficacy of cross functional role relationships, role

accountabilities, Key Performance Indicators, as well as their own manager's effectiveness, they reported being humbled and astounded at the implications for their team outputs.

In Connections, the manager comments:

“Over the past 6 months, my team’s performance has improved from achieving 66% turnaround of applications for water and sewerage connection in 4 days to 84% turnaround.”

He has done this through application of a number of interrelated practices including teamwork, system and process improvement, and talent pool management to correctly match the right people to the right roles. He used performance diagnostic tools to identify that an individual who had not been performing to expectations was in fact working in a role that did not fit her current capability. She was transferred to a role that better matched her capability and this resulted in a promotion. Decisions such as these were previously unheard of. The manager believes these tools have given managers diagnostic capacity to identify “what’s the work and the fit for the work” and more confidence in making judgments about their people’s capability.

How did Jenny achieve what she achieved here?

- Jenny committed to study the original texts to ensure she had a good understanding of the theory.
- In recognizing that this was not a process but a whole system of management which would have deep implications for her business area, she obtained her Managing Director’s support for full discretion to implement the practices in her own area.
- She used an experienced RO consultant for one-on-one coaching to guide her application of the framework to her workplace issues and to assist her managers to cascade this to their teams

- She developed a 90 day implementation plan with her subordinate managers to ensure their input and commitment.
- Jenny used the models consistently and rigorously in her team, and presented them to her peers when the work impacted other areas. She practiced the team-working process for all complex and cross team tasks
- Jenny focused on changing work behaviors by concentrating on the processes of work including the accountabilities and authorities and the personal needs of each person in executing their own work.

Results

Jenny has an impressive record of achievement and feedback from her manager, her own direct reports and through a well-known 360 degree feedback tool on leadership effectiveness.

After eight months in the role she has just received her result, which places her in the top 95% of Australia-wide sample of managers for the achievement element of the assessment. This is consistent with her demonstrated ability to deliver on her business objectives in a short time frame. She is well on the way to achieving all of her identified key tasks and she has established a team committed to working together to achieve demanding targets. She has observed growing confidence of her managers to exercise their leadership roles appropriately. In fact her pride in her team of direct reports and the capability they are building in their own teams is palpable. She feels in control, and she is now confident in successfully delivering the organization's most significant Enterprise Resource Planning (Billing) project.

The Call Center manager's reflection on this work is compelling. She has been able to use the Framework to create the right conditions for work and thus to help resolve one of the

workplace's constant dilemmas: how to deliver to the demands of the business **and** how to meet employees' legitimate psychological needs for work:

"The effect of this framework has been quite profound for me. I have always enjoyed having the privilege as a manager to help people achieve their best work and to develop them to move on to do even better things. I have always tried to be a good manager, but this program has provided the missing link for me – the clear link to the business. It has provided me with the complete picture of work and our reason for being. Now I truly feel I am on the pathway to become a great manager."

The Manager of Connections is confident that the integrated set of principles and practices will deliver continued positive results: *"In the past, Connections was the area that collected pieces of work that didn't seem to fit anywhere else. Now I am very clear about what I am and not accountable for and I can concentrate on what I must do. I feel much more effective in my role."*

References:

¹Jaques, E, Requisite Organization, Arlington, Cason Hall & Co, 1998