Establishing clear lines of authority and responsibility

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Last month I spoke about setting goals, developing a mission statement and business planning.

Assuming your company has done those things, the next task becomes finding the right employees and putting them in the appropriate positions to help accomplish the company’s goals and achieve its mission statement.

Easier said than done, right?

First, good employees, as most business owners in this or any industry will tell you, are very hard to find. Personally, I think that it would be easier to make a jumbo jet or the Statue of Liberty disappear like the television magicians do than to find an unlimited source of high quality, dedicated and honest employees. That would be a neat trick that neither David Copperfield nor even the great Houdini, if he were still alive, could pull off. I am no Copperfield or Houdini, so let’s just assume you are one of the lucky companies and you have sufficient qualified employees on staff already. Now the challenge is to mold them, direct them and motivate them to accomplish the goals you have established.

The basic purpose of motivating employees is to attain increased production and/or improved quality of work. Worker productivity and quality of workmanship is generally equated directly with pay rates. The more productive, quality work an employee produces, the greater the rewards and the higher the pay. This is also called “pro forma” based pay, and is the basis of our capitalistic form of government.

But money alone is not the only motivation, and in many instances it can cause more problems than it solves. Non-monetary means of motivation are sometimes as important, or even more important, than monetary rewards.

As we all should know, supervisory personnel are responsible for motivating their personnel. Many times they do not have the final decision on monetary rewards, but have significant input to the actual decision maker. Obviously, the owner or president is ultimately responsible for the distribution of monetary rewards and/or benefits to employees. Ideally this is done on a strict “pro forma” basis, with no free rides or undeserved promotions and/or raises; only for outstanding performance and dedication to work.

Monetary rewards

Obviously, the paycheck that an employee receives is a monetary reward for the work he or she performed. Continued employment is all too often considered a right of the employee, in fact, it is not. Continued employment is, or should be, a reward for continued work well done.

A job or the right to work must be earned. This is one reason that most states in the U.S. are “right to work” states, whereby the employee can quit at any time without reason and, conversely, he or she can be fired for any or no reason (providing it is not based on discrimination.) Sadly, when someone says “working for the company,” what they all too often refer to is attendance. All employees must know, however, that management has the right to expect several things from the employee in return for the paycheck they receive, such as: an honest day’s work; loyalty; dependability and reliability; honesty; consistency; and assistance in reaching company goals and objectives.

The payment of overtime “premiums,” paid vacations and paid holidays, contributions to pension plans, the payment of health and/or life insurance expenses are all examples of extra monetary rewards some employees may receive in exchange for the extraordinary work they perform at their respective company, and these “perks” are generally reserved for worthy, long-term employees. But these are not the only things that motivate employees, and not the only things that employers should concentrate their attention on. I know it sounds crazy, but employees do not always mean what they say when they claim more money will make them more satisfied. Of course more money always helps, but often it is more than simply money that will make them happy and motivated employees.

Non-monetary rewards

Some of the best motivations for employees are non-monetary, and include things like: job security; recognition for effort; fair and consistent treatment; honesty on the part of management; being part of a winning team; pride in working for a company that has a good reputation for quality; pride in the belief they are among the best at doing their particular job; being faced with new challenges; respect for their supervisor; respect from their supervisor; input into decisions pertaining to their jobs; belief that they have a chance to grow based on performance; type of work they do; tools and equipment they work with; the attitudes of their fellow employees; and how society perceives their job.

These are all outstanding motivational factors. However, not all motivational techniques work on all people. It is management’s responsibility and primary function to determine which motivations to use on which employee.

Employees stay with an employer or company only as long as they perceive their benefits exceed the burdens of their job. Your fence company may provide some non-monetary rewards to your employees already and, in many instances, you only need to remind or reinforce the situation.

If not, please review the above list and begin to use as many of these non-monetary rewards with as many of your employees as you possibly can. They
really do work, and very well at that!

The recognition of effort is one that
most managers need to concentrate on. Managers always seem to find time to
tell the employee when a mistake is
made, but too often are too busy to ex-
press appreciation of a job well done
on a specific assignment. This often
leads to a decrease in moral.

Try to “catch your employees doing
something right!”. Comment on their
work and complement them on their
effort.

The ability to express their opin-
ion is generally important to employ-
ees and requires that management ex-
plain why a different approach is ad-
hered to or followed (within reason), if
it differs from the one they suggest.

Once an employee is happy and
content at his or her job and is properly
motivated to continue on a course, he
or she must be granted the authority,
responsibility and matching account-
ability for that authority to accomplish
the goals and mission of the company.

Before going any further, I want to
point out that the operative words here
are “happy and content,” because if an
employee is not satisfied with their
work and position in the company and
they do not work in a “happy” fashion,
everyone they work with will suffer.

I am sure that at one time or an-
other someone in your organization has
been “out of place” – unhappy with his
or her work, underproductive and un-
comfortable to be around.

Before any manager can promote
an employee and assign responsibili-
ties and authority to that individual, the
first order of business is to make sure
all the employees are happy in their re-
spective jobs.

Once that has been accomplished,
managers must realize that there is a
definite relationship between author-
ity, responsibility and accountability.

Without a distinct understanding
of this relationship, clear lines of re-
porting and communication become a
distinct improbability. Authority re-
quires the ability to give orders prop-
erly. Responsibility requires the abil-
ity to follow through, assuring that the
orders are carried out properly.

Authority must always equal re-
ponsibility, and must be sufficient to
fulfill the requirements of the job. But
never more than that which is neces-
sary to get the job done.

Authority and responsibility must
never be dual, shared or overlapping.
One person, and only one person, is re-
sponsible for the successful comple-
tion of every assignment.

As long as there is singular dele-
gation of authority and responsibility,
the individuals with responsibility may
be assigned accountability; however,
when more than one person shares the
authority and responsibility for some-
thing, neither can be held accountable
for what might go wrong, and “finger
pointing” rears its ugly head.

Authority

Authority must be clearly defined
and follow clear paths. Without clear
definition, there will be confusion. The
company’s organizational chart (I hope
you all have one) clearly defines the
paths, while job descriptions clearly de-
define the full scope of the authority for
each position.

Every individual, from the presi-
dent of the company down, must know
the limits and scope of the authority of
his or her position. These limitations
— this scope — must never be cir-
cumvented.

When an individual circumvents
the authority of any other, he effectivel-
ly relieves that individual of all respon-
sibility and accountability for an un-
specified length of time.

Additionally, such circumvention
harms the morale of that individual.
The side effects will spread downward
to the individual’s subordinates.

Authority may be delegated along
with equal and corresponding respon-
sibility. The extent of such delegation
must be clearly spelled out in writing.

Orders

The order may be defined as “the
signal which makes coordinated action
possible.”

Orders cannot be given blindly;
each must be tested to assure that it is
necessary, clear, complete, and rea-
sonable, with compliance both possible
and probable.

A complete order will supply a spe-
cific goal or objective, with permissi-
ble variations, and a time frame for
completion. It will note a method or
means of performance. It will state who,
what, when, where, and how, specifying
the individual who will be held re-
sponsible and accountable for its proper
performance.

Ensuring responsibility

The prime task of every manager
is the assumption of responsibility.

Measure your own performance in
terms of what you were ordered to do
and what you actually accomplished.

Stimulate interest and, whenever
possible, provide incentive.

The incentive of reward, after the
successful completion of a task, works
well when properly handled. (Please
keep in mind the list of non-monetary
rewards mentioned earlier and use as
many of them as possible.)

The use of fear as a driving force
is virtually obsolete in modern Amer-
ican business practice. Punishment is
appropriate after willful wrongdoing,
but only if it is willful. Any other type
of wrongdoing merely implies a lack
of training and a need for coaching.

Along with this, always remember
the business mantra “praise in public
and punish in private.”

Inflexible rule: You will see to it
that every order that is issued is carried
out. You will not forget it, change it, or
countermand it.

If it is your responsibility to do
something, there are no excuses for not accomplishing that objective. Regardless of what happens, your are answerable for attaining, or not attaining, that objective. You cannot shift the responsibility for not having it done. There might be mitigating circumstances, but you are still responsible.

**Accountability**

Every order that has been given, and given correctly, carries responsibility. Responsibility implies accountability. Accountability is a two-way street for every manager.

A senior manager or supervisor will hold every mid-level manager accountable, and each will hold a subordinate accountable, all following the organizational chart.

For example, this may translate into a general manager holding a field superintendent accountable and responsible for completion of an overall project and the field superintendent holding individual foremen responsible and accountable for their portion of the overall project.

Foremen then hold laborers responsible for certain tasks within the scope of the work, and so on. Notice the overall scope of accountability and responsibility diminishes into smaller and more specific tasks according to the individual’s position on the organizational chart.

Accountability means liability for any variance from the anticipated norm, whether that variance is a positive or a negative one. It implies the need for explanation.

If you are to avoid blame, you must exercise accountability over your subordinates, and you must do it consistently if your department is to operate effectively.

Inconsistency breeds a loss of credibility, a loss of trust, and a loss of respect. Without trust, there is no loyalty, when there is no loyalty, morale falls.

As morale falls, so do personal motivation and the quality and quantity of production. Inconsistency creates inefficiencies.

Hold people accountable and do it consistently. I can not say this enough!

Praise often when it is due, and implement additional training or disciplinary action when indicated.

If you fail to do either, or both, the chances are that your department will not run efficiently, economically, or effectively.

Any manager who cannot, or will not, shoulder the responsibility and accountability for the economic, efficient and effective operation of their department or assigned project deserves neither the title of manager nor the salary of a manager.

I’d also like to remind everyone that if you are planning to attend the West Coast Fence Show in Sparks, Nevada the first week of October (and I hope you are), I will be giving a free seminar on finding and retaining qualified and motivated employees. If you can make it, I would love to see you there. You’ll find additional information in this issue of WFN.

Tom Luby, through his organization Profit Builders International, has developed the Road-map to Success program, containing a wealth of business information necessary to successfully run a fencing company. The Roadmap to Success program is available on CD, along with his book, The Close, and The Roadmap to Success user manual. Contact Luby at 954-927-8009 or 866-6-PROFIT (677-6348). Fax 954-927-8060. See his web site, www.profitbuilder.org.