



**A Memo to the Serious Reader.
On Authority and Accountability**

by Andrew Olivier, 2009

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You may view Andrew's latest article "**A Jaquesian analysis of the Working Journey of Prof Muhammad Yunus**", 2006 Nobel Peace Prize Winner at <http://globalro.org/>



We are in times of great and growing uncertainty. “Unprecedented” and “unchartered waters” are phrases used to describe the economy and climate. The future of our Company and sometimes our own Working Journey is no longer certain, as fundamental drivers of the global economy stall in the birth pains of a new order. We need constant vigilance, to do more with less, be more effective, cut wastage, improve decision making, foster creativity and innovation, while attempting to grow or at least maintain previous business levels. People depend on it.

More then ever, we need to provide sound leadership.

As a leader and key decision maker you need to do ensure that you have removed the messy, clunky unnecessary sort of uncertainty which creates wastage, loses productivity, escalates conflict, creates workarounds and results in below optimal solutions, unplanned outcomes and budget blowouts.

Lack of clear and communicated authority and accountability is one of the greatest areas for potential conflict and wasting resources in an organisation. You may know this from your own experiences – leading a project, being a team member, working across the organisation as a specialist or reporting to someone with no authority to make a decision. You may have known the frustration of having accountability with no authority.

The problem in part can be summed up by being held accountable for an outcome in which you have no *authority* to make it happen. This can happen in a small business (see below) or in large complex businesses. It is a common part of matrix style reporting structures (also see below).

In undefined reporting relationships with blurred authority and accountability you are left to rely on your influencing skills and how well you navigate internal politics, while ineffective managers and executives escape accountability. You need to ensure at your level of work that your direct team apply their mind and that of their teams to defining what they actually want and who is authorized and accountable for the “what by when”.

Once, and only once, there is an agreed outcome– should structure and alignment of roles be decided (how do we organise to achieve what we say we want to do; within time and budget). Then the authorities and accountabilities for role players be contracted and communicated. In writing for project or ad hoc work or captured in a standing format for approved work flows (e.g. Position Description).

This is the role of all managerial leaders – setting context and purpose, agreeing authorities and accountabilities. **Do your managerial leaders do it?** Are they required to do it, are they competent to do it and is their performance assessed on how well they do it or is it all ad hoc?.

As a CEO or senior executive you are accountable for creating the effective organisational conditions so that your managerial leaders are able to flourish. This is a unique value add of your level of work and cannot be delegated.

Let me give you two examples.

Firstly, poor role definition can occur in any size organisation; it is not the domain of matrix reporting structures where everyone is accountable and no has authority. The first example comes from the most unlikely of industries; the art industry. I own a commercial art gallery and we recently added an up-market wine and coffee bar to provide a space for patrons to relax, read art magazines, enjoy a good wine, look at the beautiful art in the gallery and chat to artists. I employed some baristas to run the wine bar, while a full time gallery manager looks after art matters. I thought the definition between café and gallery was clear, but was I wrong.

One of the young barista’s I employed had lots of potential, computer savvy and doing a Masters in art. She quickly discovered she enjoyed selling art, loved dealing with gallery patrons and breathed new life into our clunky web site. Soon she was organising book and poetry readings in the new café space. The Gallery Manager found herself running the café and falling behind in the required administration. We soon started the



slippery road of conflict because authority and accountability had not been clarified. All is now resolved, through clarification of roles, but the point is conflict and wasted resources occur in very small businesses, very easily.

This is not a complex example but proves the point the managerial leader must resolve who does what, to whom, by when and with what resources. We need to remember that Work is a complex adaptive system that continually wants to expand, reorder and reshapes itself. Constant vigilance is required in the role of a managerial leader.

Consider a second example, a large multinational company with a number of business units, brands and range of cross selling products offered in different channels and targeting different segments. Large multi-disciplinary projects teams were the order of the day. So too was large scale confusion, big dollar project failure, budget blowouts, poor strategic choices and surprise surprise; an absence of authority and accountability.

In this case study, a major project was initiated for a single view of the customer running across the organisation. It was a project that should have been sponsored by the CEO and led at Level V with a Level IV project manager.

It was not.

In Levels of Work terms the project was assigned at too low a Level of Work and the project manager who had all the accountabilities, had no authority. One of its main problems was *a failure by the CEO and the Group Executives to;*

- ❖ *work as a coherent team*
- ❖ *agree on what was needed and why*
- ❖ *ensure that the work structure to achieve the outcome was set-up and aligned,*
- ❖ *the project set at the appropriate Work Level*
- ❖ *key role players given clear authority and accountabilities.* Not only agreed amongst the peers, but communicated and systems set in place to monitor the project and authority to escalate issues that threatened delivery.

This top down failure on a key critical issue resulted in the failure of a many millions of dollar project. Here is a selection of comments made by role players in this project;

Respondent XII: Project Manager

I have found it really draining having to influence my manager and the group executive about needing a coordinated and aligned strategy across Australia and New Zealand. People say yes we need it, then go back into their silos and does what they want to do. There is no agreement at the top about this being needed and yet we are told to implement it. . I am feeling so disheartened because it has been left up to me to influence my peers across the group and if they say no, or drag their heels, the project is stuck.

I have had a huge battle with the one GM and it became personal and he would not take my calls or respond to my emails. The short term operational focus is frustrating and there is no vision. I am also concerned because this project represents the only long term project in the division as far as I am aware. It will change the way we go to market and how we handle our reward and recognition, it will be a differentiating experience. It will provide one view and it has not been done before. It has taken two years of influencing and \$XX million in implementation costs. The company is so risk averse that innovation is stifled

Respondent III:

We have a major initiative on the go – “single customer view” and a new front end – when it is in place will see immediately what client has and be able to cross sell and give better customer service. But lots needs to happen, fix all the back end systems first, it’s a huge system. It also takes time to get anything done here, so



bureaucratic, so many signoffs and too many decision makers who quite frankly don't seem to add any value as far as I can see...

Respondent IV:

My success is dependent on others and what is NB to me is not NB to them. The KPIs are not aligned and they have a huge impact on whether I achieve my objectives. Only way I can make progress is to influence and go and see them and learning different ways to achieve outcomes. I have no authority and they don't have to do or even help with our key issues....

Respondent VI:

There are too many people creating strategy who have not had to deliver or even worse, are not held accountable for that strategy. Strategy is not linked to implementation and seeing the results of what they have done. It is an upside down pyramid, with no accountability..

Setting authorities and accountabilities for achieving a clearly defined purpose may well have brought success to this quagmire, but then also the mere act of a team applying its mind may have come to the conclusion that the project may be too big, too expensive in the first instance or that a feasibility study needed.

So what could one learn from this article?

Firstly, none of these problems are new. For the CEO or Divisional MD who is keen on getting organized to meet the external environment internally, consider the following;

There are **only two types of roles** in any organisation anywhere. This is a direct management role with direct reports (a line manager) and a specialist role (who works across the organisation) offering services.

These two role types have a number of subsets – five role types in terms of the direct manager (manager once removed, manager, peer, supervisory, project manager) and seven in terms of a specialist (e.g coordinative, service giving, audit, monitoring).

Now the great part **is that each role and role type has clearly articulated authorities and accountabilities** which can be used for bringing clarity to this confusion¹.

Confusion does not need to exist; you can remove it through taking the time and making the effort. Your organisation will thank you, your stakeholders will applaud the outcomes of greater resilience, cost saving, increased focus and higher success rate you have brought about through these simple but profound improvements.

Here is a modified extract from a memo I wrote recently to the Head of a Division where we are putting in the principles of effective Managerial Leadership. If you ensure your position descriptions contain the following basic but ESSENTIAL information, you will soon see tangible results emerging....

Hi Sally

You asked me to send you a note about finessing your structure *post* your original implementation and *post the Managerial Leadership* workshop. I suggest you issue a CPQQRT (a specific task assignment format) asking each of your direct reports to provide you with a Position Description for themselves, their direct reports and Skip Level Reports which look at:



1. Context and Purpose (Unique Value Add) of the Role

A short succinct statement on why the role exists and its link to your business strategy. Output focus.

2. Accountability and Authority (i.e. - Key Performance Areas / Projects / CPQRTS)

*A table listing **accountabilities** and next to each a column saying **authorities**. If clear (known and communicated)- through a discussion with direct manager; then indicated as OK; if problematic, to be marked as ATTENTION required. Ensure basic managerial authorities included (veto, assign, remove, reward)*

3. Time Span– *Each Accountability to have a time span assigned by the Manager- (how long is before the role’s direct manager sees the outcome of their most complex decision.*

4. Role Relationships - (is it a Task Assigning Role Relationship -a line manager or a TIRR – Task Initiating Role Relationship - specialist) *Indicate which or if both; if TIRR then decide on type (internal / external) and if authorities communicated / agreed with other working relationships.*

5. Knowledge, Skills, Experience & Level of Work Required: *important for recruitment purposes and flow*

References and Resources on Authority and Accountabilities:

Jaques, E. (1989) Requisite Organisation. Arlington, VA: Cason Hall & Company. – for tables on Authority and Accountability.

Jaque, E. and Clement, S (2002) Executive Leadership: A practical guide to managing complexity. Blackwell Publishers. (First published 1991; reprinted 1994, 1995, 1996, 1997, 1999, 2000, 2002). Copies available at discount rate

www.workcomplexity.com - Also includes tables on Authority and Accountability

Global Organisation Society - <http://globalro.org/> - for resources, downloads, videos.

ⁱ The practices presented here are based on the work and models of Elliott Jaques and have evolved, been tested and used for over half a century in leading corporations globally.