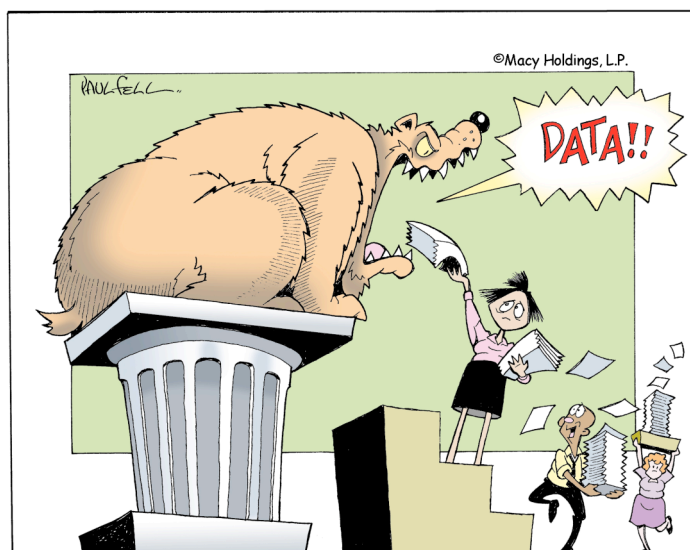




## Feeding the Beast

*Every company has its own name for ‘it’ – that excessive amount of effort required to satisfy redundant data requirements imposed by the various corporate support functions. Many person years are spent just compiling and pushing next year’s budget plan through the approval process. “Surely if those support folks would just get their acts together, life would be simple,” say our staff. But, hold on! Lets lift up the corporate the rug to see what’s been swept under there. What are the real issues and what can we do about them?*



It’s the annual budget/planning season again. *Groan!* And if ever there’s a time that the bureaucracy of your central core issues forth overwhelming *administrivia*, this is it!

Your direct reports are irritable. Why do we have to keep *feeding the beast*? Why can’t these planners get their acts together?

Why do we have to provide the same staffing figures in three different forms to HR, Finance and Strategy? *Don’t we all work for the same company?*

It’s easy to project the source of the problem onto the support functions, but before we succumb to that temptation, lets look deeper. This *feeding the beast* syndrome is complex, and there are several issues underlying it and keeping the beast growing.

*Lets hear first from the support functions.* As one HR manager recently said, “There’s no way we can ever be *right* in the eyes of our business customers. We’ve become the scapegoat for anything off track. It becomes harder and harder to carry out our legitimate functions in support of the business.” The dictionary definition of scapegoat is one who bears the blame for another’s misdoings. Projecting the blame can be a way of avoiding accountability, and those in support functions are easy targets for the projections of their business unit peers. Of course, that’s not the whole story. What are some of the other underlying factors?

One source of the beast is the *silo-ing* of the support functions. Functional staff no longer reports to the head of the business unit, but have their own authority chain up to the top of the corporate ladder. As a result, there is no center for integration within business units of the many functional support areas. Managers at the level where integration would make a difference lack authority to bring the many sources of functional directions into a cohesive whole. Those higher up managers who do have authority don't have the downstream understanding that would enable effective integration, even if they were willing to cross silo boundaries with their support function peers.

A second underlying factor is what I consider *over-standardization*. These days, we seem to control by imposing corporate-wide cookie-cutters to penetrate from the top to the bottom and from side to side. Standardization is a critical tool, but should be used sparingly and with serious consideration. The purpose of standardization when used well is to infuse regularity into critical functions so as to increase communicability and to reduce time to delivery. Standardization is intended to produce consistency and to reduce the need for considered response, i.e., for thought and judgment. The problem here is applying the cookie cutter to issues that need thought and perhaps specialized consideration.

Another source of the beast is *excessive reliance on rationality and data as the basis of decision-making*. Organizations whose primary technology is scientific or engineering in nature are at risk of over-identifying their work processes so that every decision is reduced to quantification. Such organizations tend to proliferate their own beasts internally, in addition to the beasts that the functions create.

These issues taken together lead to the one issue I consider most significant, *the disablement of managerial judgment with an erosion of line authority*. Let me illustrate with an example.

I once helped organize a leadership development program where we took a group of aspiring leaders from a large manufacturing company on a "learning journey." These were the up-and-coming young folks, largely MBA's, whom the company thought would be the future pool of executive potential. This particular company was especially rigid in its use of financial spreadsheets to control operations.

We took them to visit a very successful IT company, much on the move, highly growth oriented, and very successful. Our future leaders sat down with the senior leaders who held the types of positions our hopefuls dreamed to attain someday. Together they talked about the issues facing leadership. The IT execs shared that they had board approval to make financial decisions on their own up to \$20m. Conversely, our MBA's spent much of their time monitoring their company managers' decisions of \$100,000. Our folks were totally blown away at the latitude allowed these IT execs.

One of the IT guys said it well....”If you and your company can’t trust you and your *judgment* to make the big decisions, perhaps you should aspire to other jobs! That’s what you’re paid for...*judgment...not spreadsheets!*”

Ummmm, that was a zinger.

In many organizations I’ve worked with, there was a time when leaders were given prerogative and accountability for leading on the basis of their judgment. The primary intellectual capital of leaders was the ability to make sound decisions, particularly in difficult situations. Then, something happened. Perhaps leaders swung very far into participative management and misused employee engagement to duck accountability. Or perhaps there was a leader who truly abused the privilege of decision-making, and the company recoiled by taking authority away. Or, maybe a series of weak leaders allowed the level of authority to erode from the line, so that the support functions stepped into the breach to save the business. Then, having tasted what it feels like to hold power, they don’t want to give it when capable leaders come back in. And, they fear, management isn’t capable of managing without them.

Your company has its own history and stories. But, I’d be willing to bet that underneath the uniqueness of your situation, if there’s a beast, then there’s been an erosion of the line’s authority (although probably not its accountability), and a shoring up of the gaps by well-intentioned functional folks. The bottom line is a disablement of the former chief asset of managers, the use of judgment to direct the course of the organization’s performance. And along with that disablement is an erosion of line authority to make decisions and to integrate the various silos into a coherent whole.

*So, what can you do?* Where are some of the openings in which you can help the support functions carry out their legitimate roles while carrying out your own role in directing your group’s energy? Here are examples from managers I’ve seen effectively limit the impact of the beast by moving back to a healthy balance between management and functional areas:

- Give the support functions a seat at the table with the management/leadership team so that they can observe the impact of excessive functional requirements. And also, by including these folks your managers can appreciate the appropriate role of the support functions.
- Appoint one person in your group to be your own CRO (Chief Regulatory Officer). Give that person the accountability of coordinating and tracking your organization’s response to external requirements.
- Negotiate with functional managers at the start of your annual cycle regarding the requirements they will impose on your people. Expect the various functional areas to coordinate their timelines and data requirements. Once agreed, hold them to their plan and hold your people to it as well.
- Take a sample of the time required for your staff to respond to the many support function requirements and, within the latitude you can take at your organizational level, develop streamlined and integrated processes that will allow for more time devoted to business objectives. Prepare a summary at the end of the quarter or year that costs out the staff

time required for each area of functional requirements, and share that with functional and higher level leaders.

- Check to *see how much administrivia* is being generated from within your own group. In many cases the *beast* is actually living within the business unit, particularly in groups that are highly analytical. If the nature of your work involves scrutinizing to five decimal points, it's likely that you are also generating a lot of your own administrative overload.

Perhaps the biggest shift is in reflecting on your own attitude toward exercising your judgment. If you have been living in an organization that has disempowered the expectations of its managers' decision-making, it may take some reorientation. It's high risk to rely on your own judgment. You could make a grave error and then be blamed. You could also be right and make a huge difference.