

SMALL Business Times

Reprinted from *Small Business Times*, February 2, 2001

Passing the torch

Management development will keep the ship on course when the owner moves on

By DANIEL SCHROEDER, *For Small Business Times*

Question:

Last November our president and founder announced that over the next three years he is going to slowly remove himself from day-to-day operation of the company in order to give more attention to his charity work.

That came as a big surprise to many of us. Having been with the company for the past 10 years, I've seen the impact he's had on the company. In many ways, he is the company. He's had a hand in everything we've done since I've been here.

While many of us are excited about the changes this brings, there's also the uncertainty about who will replace him and how and when it will happen. Frankly, I don't think one person can fill his shoes. We'll all have to step forward to make stronger contributions. Right now, at his suggestion, we're operating with an "executive board" of six senior managers, from a group of 28 supervisors and managers, making the decisions. That is a big change from the past where one person made the calls, and we're experiencing some growing pains. Can you offer us any ideas to move forward?

Answer:

What you are describing is a major change for your organization. The people who occupy the top level principally shape the culture of any organization. In your case, you have described your president as a

visible and involved leader. He has been the architect of the organization. As its founder, I'm sure that he lived and breathed it. Now he has decided to pass the torch to someone else. From what you say, however, to whom the torch will be passed remains unclear. That is disquieting, but in light of the three-year window, there is time to develop a systematic succession plan. In order for that to happen, you will need to build and deploy a strong management-development program.

Management development is the process of assessing, aligning and balancing organizational and individual needs, capabilities, opportunities and challenges using multiple methods and approaches. In simple terms, it is the means by which an organization ensures that it has sufficient "bench strength" when there is need to replace managers who leave the organization.

Management development has many benefits. From the standpoint of the organization, those include:

- Improved managerial productivity
- Increased retention
- Better managerial skill sets
- Flexibility in deploying staff
- Enhanced ability to attract/retain managers
- Better responsiveness to changes
- Greater potential to fulfill its mission

From the standpoint of the individual, benefits of participation in a development program include:

- Professional growth
- Increased value to the employer
- Enhanced trust and commitment
- Greater job satisfaction
- Less stress
- Better rapport with immediate supervisor
- Enhanced marketability, both internally and externally

Given that you have three years to build your management team, I think it would be advantageous for you to try to build the skills of your entire supervisory group (i.e., all 28 individuals). The emphasis should be on building a climate of trust, confidence and support as you move forward. Research indicates that the effectiveness of manager-employee interactions is the key determinant of any development program. Building rapport is vital.

The first thing you will need to do is clarify your organization's strategic plan. Once you are clear on the business objectives that will be pursued, you can build a management-development program that is consistent with them.

The individuals who get involved in building and implementing your management-development program will need to become familiar with occupying a number of distinct roles, including assessor, advisor, coach and referral agent.

Let's take a closer look at each of those roles.

Assessor: This role involves assisting individuals in appraising their strengths and weaknesses using a variety of techniques (e.g., performance appraisal, 360-degree survey, testing, one-on-one discussion, self-assessment, etc.) and communicating impressions in a timely way, citing specific behaviors, and relating these to organizational opportunities.

Advisor: This role involves providing organizational information, realities and resources to help participants set developmental goals that are attainable. The idea is to help participants understand current opportunities and limitations within the organization.

Coach: This is a directive role which involves engaging participants in two-way dialog to create an open, candid environment. Coaching to improve work performance includes explaining (telling), demonstrating (show-

ing), applying (doing) and following up (evaluating).

Referral agent: In this role, a manager assists a participant in meeting his goals by specifying development plans and training options. The idea is to provide participants with new experiences, exposure to varied tasks and assignments, and increased visibility by placing the person in a variety of assignments (temporary or permanent, lateral or vertical) and/or by informing other managers of the individual's capabilities.

Each of your 28 managers and supervisors needs to become comfortable operating in each of those four roles. The place to start is with your six-member executive board. Specific skill building should take place with them, and then they can begin to share what they are learning with those below them.

Along the way, you will probably find that there are general needs to be addressed across most participants and specific needs that must be pursued on a case-by-case, individual basis. Your management-development program should, therefore, be flexible.

Daniel Schroeder, Ph.D., of Organization Development Consultants, Inc. (ODC) of Brookfield, provides HR Connection. Small Business Times readers who would like to have a question answered may reach him at 262-827-1901, via fax at 262-827-8383, or via e-mail at schroeder@odcons.com.