SECTION I: CURRENT STATE OF LEADERSHIP

During the last 15 years, organizations have undertaken countless performance improvement initiatives. These initiatives have all begun with one key theme and that is to engage an organization’s critical mass (hourly level employees) with increased responsibility to running the business. These initiatives have been labeled Total Quality Management, Corrective Action Teams, Analytical Problem Solving, Self Directed Work Teams and the list goes on and on. While the intent behind these initiatives is valuable, there is one missing component that has often pre-determined these initiatives to fail. That component is the role of organizational leadership. This paper will explore the current state of leadership in a variety of manufacturing and service organizations. In addition, this paper will illustrate through the use of case studies that leaders are often confused, frustrated and overwhelmed by the state of their organizations. This current state has been created, perpetuated and sustained by a lack of structure, discipline and habit. In fact, over the last fifteen years, many performance improvement initiatives have educated and reinforced an environment of unclear standards, ambiguous accountability structures, and vague expectations. This current state is debilitating leadership as they are finding their job expectations and accountabilities increasing on a daily basis while many hourly level employees maintain the same level of responsibility. This paper proposes that to break this cycle, organizations must establish consistent, non-negotiable business processes throughout the organization. ISO 9001:2000 recognized that processes are the key to sustainment and success of any quality initiative. Clause 8.5.1 actually requires all registrants to develop a process-based approach to drive and continuous improvement. This paper will explore how Process Based Leadership (PBL) is a management system that utilizes non-negotiable processes to drive performance excellence.

We believe that many leaders within organizations assume the role of a “Dumpster”. This role quite literally means that leaders often become a trash receptacle for the wide variety of issues that face an organization on a daily basis. However uncomplimentary this comparison may be, regrettably it is a reality in most organizations. Managers often began their careers with the understanding that to be an effective manager, one must prioritize tasks in a way that ensures value to the organization. Hence, there are many task organization tools in use today such as, the Franklin Planner, Palm Pilot, Microsoft Outlook, Post it Notes, etc…each of these tools assists a manager with organizing tasks and theoretically getting the things accomplished. In reality, too few items often come off the list while many items are added. Let’s examine a case study to illustrate the point:
Case Study:
Shane is a department manager in an automobile stamping facility. On his 30-minute daily commute he makes a mental list of items he wants to get accomplish that day. Upon arrival at the facility he runs into ten employees in the first hour who each have an issue warranting resolution. The issues range from payroll discrepancies, quality standard errors, absenteeism issues, production problems, personnel conflicts, etc…Suddenly, the items detailed on his mental ‘to do’ list have been replaced by the immediacy of the loudest person talking. You will hear Shane telling each person, “I will look into that”, “I will get back to you,” and “I will handle that issue.” In essence Shane has become a “Dumpster.” Each of those individuals is expecting immediate resolution to their problem. Regrettably, Shane’s ability to respond in the time frame demanded is impossible. Therefore, Shane’s credibility will be damaged. The biggest issue facing Shane is that the individuals who approach him have been allowed to walk away with no accountability for assisting with resolution to their issue. In essence, they have been given permission to sit back and complain about how ineffective Shane is as a leader because he never follows-up and obviously doesn’t care about his employees.

This case study replicates itself daily across the business community with many leaders finding themselves increasingly frustrated because they see no resolution in sight. Fundamentally, organizations must equip leaders with a system that allows them to lead with confidence, focus, and a sense of urgency. This system must not be dependant on the power of the leader’s personality. An effective system must have as its foundation the creation and utilization of non-negotiable business processes. These processes should focus on elevating expectations throughout the organization, building a sense of urgency to accomplishing business goals, and lastly promoting shared accountability to ensuring business results.

SECTION II:
PROCESS BASED LEADERSHIP FUNDAMENTALS

In order to effectively deploy non-negotiable processes, one must first fully understand the mechanics and utilization of systematic principles. Effective systems will assist an organization in accomplishing its mission by process not personality. The entire purpose of learning to manage by process, not personality is to promote consistency and focus throughout the organization. The following definitions apply to the effective deployment of the processes described herein.

To begin, a thorough understanding of the context of non-negotiable processes must be applied. The term non-negotiable is defined as the minimum business processes required to be used by all levels of the organization to create and sustain a sense of urgency, a clear and concise business focus, and shared accountability. Non-negotiable processes are not punitive; these systems are designed to prevent management by personality and promote management by process.

Non-negotiable processes must be designed and documented by the organization’s senior leadership team, which will be termed from this point forward as the primary team. In a corporate environment the primary team would consist of the CEO and his/her direct staff. In a
manufacturing environment, the primary team would consist of the site general manager and his/her direct staff. The establishment of non-negotiable processes by the primary team is a crucial factor in the deployment of a business-focused system because gaining total support and buy-in from employees is dependant on demonstrated involvement by senior leadership.

After non-negotiable processes are defined, documented, and deployed by the primary team, they must then cascade throughout the organization. To accomplish this requirement, employees at all levels of the organization will develop systems that tactically support the non-negotiable processes. Efficient development is facilitated by grouping employees via the current organizational structure into what is termed a home team. A home team is defined as any organizational leader and his or her direct reports. This definition creates the first glimpse of shared accountability, as no person will be excluded. Deploying non-negotiable processes into the existing organizational structure sends the message that this is how we will now work. In addition, with each home team defining their supporting processes there is increased ownership to the use and maintenance of the system. This forms the basis of empowerment — empowerment defined as the “Leaders providing the What, Why and Parameters and the home teams providing the How.”

As with the primary team, each home team must define, document, and deploy the non-negotiable processes. Documented processes will be filed in a team handbook. The handbook will serve as the ready reference for any home team member to review and reinforce the agreed upon business processes. Additionally, the handbook serves as an audit and orientation tool as well as a mechanism to sustain the deployment of the business-focused system. Many organizations that have deployed this system include the home team handbook as an additional item in their ISO 9000 audit procedures. This further links each home team into a mechanism to ensure sustainment and consistency across the organization.

In summary, understanding the fundamentals insures process success. Organizations must return to a system that elevates expectations, drives accountability, and sustains a sense of urgency. This culture does not simply evolve as many publications and training seminars have led people to believe. A culture of accountability requires that the primary team establish non-negotiable business processes. These processes must be visible and auditable to everyone within the organization. These processes must be practiced at the primary team level first then deployed downward in the organization through the home teams. Each home team must define their tactical quality processes to support the organization’s non-negotiable system. These processes form the basis for individual and team empowerment, as they are the unit defining “How” they will support the organization. Maintenance and sustainment becomes the responsibility of each home team, further supported by the primary team auditing the home team processes. Lastly, all team processes from the primary team throughout all home teams should be documented and centralized into a home team handbook. The handbook serves as the mechanism to ensure that management by process becomes ingrained into the organizational culture. Additionally, the handbook serves as a training tool, an orientation tool, a reinforcement tool and lastly, an audit tool. This focus on habit, discipline and structure easily assimilates into the people process to ensure high performance.
The first and most critical non-negotiable business process is the development of a communication system. Organizations today have in essence, forgotten how to communicate and have become experts at advertising. This is symptomatic of the “Dumpster Syndrome.” To explore this concept, one must first examine the definitions of communication and advertising. Communication is a face-to-face, two-way process of sharing information where as advertising is a one-way process for sharing information.

Simply, organizations today are inundated with advertising processes, not communication processes. Common examples of advertising that are prevalent in most organizations today are: bulletin boards, flashing electronic signs, television monitors in the break rooms, newsletters, t-shirts, wallet cards, check stuffers and the number one source of advertising, e-mail. Leaders today have been convinced that these are communication mechanisms when in fact they are no more than vehicles for advertising information. The following case study illustrates the current state of many organizations.

Case Study:
Chris, a manager at a large tobacco processing facility, arrives at her office each day to no less than 40 e-mails, many accompanied by the red exclamation point signifying an urgent need. On top of all these e-mails, she is scheduled to have her monthly meeting with her staff. As the day progresses, the number of e-mails increase, as do the number of items that have been trashed in her dumpster. By the time of the scheduled meeting with her staff arrives, Chris feels so behind that she cancels the meeting in an effort to buy 30 minutes of proactive time.

This case study reflects how far many organizations have gone from understanding the criticality of communication. In the above case study, Chris placed no value on the meeting. In fact, she saw the meeting as a “take away” from the business at hand. She saw the accumulation of e-mails as a greater priority than face-to-face, two-way communication with her staff. This is reality in many organizations, which why most communication is done only through the grapevine and rumor mill.

Communication must have structure and discipline to be effective. Communication cannot be left up to chance. Organizations must view communication as the lifeblood for focus and success. Consequently, the primary team must drive a non-negotiable process for communication throughout the organization. This process must have the following key elements, defined by the primary team and deployed by the home teams:

- Minimum home team meeting frequency
- Minimum agenda items
- Minimum meeting roles and responsibilities
- Minimum meeting behavioral ground rules
- Minimum meeting processes to ensure focus: Action register, pass-up, pass-down, agenda

These non-negotiable elements are set by the primary team and deployed through the home teams. Each organizational home team will in essence, define “How” they will support
the communication non-negotiable elements. In the end, what the organization achieves is a
disciplined communication process that links every employee into the business. These are
business meetings and must be operated as such. Effective meetings will utilize both a
scorecard and an action register. These two elements are essential in sustaining a clear and
concise business focus, a sense of urgency and a process of shared accountability.

SECTION IV:
BUSINESS FOCUS PROCESS

The second non-negotiable process is the business focus process driven by the development of
the scorecard system. This system drives urgency and focus throughout the home teams. This
system is incorporated into the non-negotiable communication process as a standard agenda item,
which promotes a quality mindset and process each time the home team gathers together.

ISO-9000:2000 (clause 5.4.1) requires registrants to establish quality objectives and deploy
them at all levels of the organization. People must understand these goals and know how they
contribute to them. The scorecard system utilized in PBL and described below is a proven and
extremely effective method for meeting this requirement. Pictured below is a sample business
scorecard. Detailed on the following page is the business scorecard system.

<table>
<thead>
<tr>
<th>KEY FOCUS AREA</th>
<th>SMART objectives</th>
<th>Target</th>
<th>OWNER</th>
<th>TRACKING FREQUENCY</th>
<th>VISIBLE INDICATOR*</th>
<th>COMMENTS</th>
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As with the communication system, the scorecard system is first defined by the primary
team. The primary team establishes no more than ten key business focus areas. These areas
will define the global focus for the organization. In addition to the key focus areas, the primary
team will also develop a consistent scorecard format to be used by all teams for tracking status
of business performance. The format should be color coded to allow for efficient review by
home teams. For example, goals on-target and/or above target are colored green while those
below target are colored red. All teams should be able to quickly identify the areas where
corrective action plans must be developed.

Joint accountability for achievement of business performance is often the most difficult
philosophy for leaders to develop yet it is essential for productivity. Organizations that
implement a scorecard system do so to elevate the current level of business knowledge. So
often, the vast majority of employees have little if any knowledge of the activities that impact
business performance. The following case study illustrates the current state of many
organizations.
Case Study:

Matt, Lynn, and Tara all work in the paint department at an automotive manufacturing plant. Every day they come to work and do the “same old, same old.” Recently, they have noticed their supervisor Tom has been very stressed and angry about the department's increase in quality errors. Matt has no idea why the errors occur, while Lynn has noticed that the paint they are using seems to look different. She thought Tom knew this so she hasn’t said anything. All Tara can say is that she has no idea what quality specifications Tom is looking for. So Tom, even more stressed from a meeting with his manager, decides to put everything aside and figure out the problem for himself.

As this study illustrates, Matt, Lynn, and Tara have very little if any knowledge about the basics of business performance in their area, while Tom carries the full burden of solving the department’s quality issue. In order to investigate and solve the quality problem, Tom must place aside the variety of essential tasks he completes on a daily basis and his employees are allowed to continue ‘status quo’ until he figures out what to do. All too often, this scenario repeats itself throughout an organization on a daily basis.

The establishment of a singular business-focus is accomplished through the creation of business goals that are tracked in a scorecard format. This system ensures a direct link between the overall company or facility goals and the department and functional objectives as they cascade throughout the organization. The business scorecard supports management by process by holding all employees accountable for attainment of team goals.

Advanced use of the business scorecard is apparent through the proactive formation of corrective action plans for goals below target. Corrective action plans should be developed in advance of team meetings and these plans will be presented to the group for review. The scorecard drives continuous improvement within the team and organization by funneling the energy and talent of all employees in a unified direction. Teams will review and revise scorecard goals on a regular basis. The team will discuss goals that are above target or remain on target for the possibility of raising them or creating a set of “stretch” goals for the team to achieve.

Upon review of the scorecard, team members automatically turn to an action plan to record actions that the team will take to correct performance not meeting target. These actions are thoroughly written, assigned to appropriate individuals, and given a target date for completion. All action plans are reviewed with the entire team to update the group on completion status. Whenever the team encounters a problem that requires their focus they develop detailed action plans. These action plans act as a reference in the future for the team to assess improvements, share best practices, and address recurrent problems. Action plans are documented in a central location (the team handbook), for all team members to reference when needed.

SECTION V: ACCOUNTABILITY PROCESS

The third non-negotiable business process in the creation and utilization of the action registers. The scorecard and communication process described previously will ensure associates focus on and identify issues but a more structured processes is required to ensure
people are held accountable for taking steps to rectify any issues. Accountability does not simply evolve. Accountability must be driven from the top of the organization through a system that is both visible and auditable. Action registers assist an organization with permanently breaking the “Dumpster Mentality” because this tool provides a mechanism to record ownership for the completion of tasks. Documentation is the key concept behind the action register. All too often people plead ignorance when a task is not completed. Action registers are not meant to be punitive. This tool will aid the entire organization by eliminating personality from the focus of business. Pictured below is a sample action register as well as the accountability system

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<tr>
<th>ACTION</th>
<th>RESPONSIBLE</th>
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The action register system provides an efficient and easy to use mechanism to record tasks. The primary team will develop a consistent action register format for use by everyone in the organization. Progressive organizations require that all meetings be outcome focused with actions recorded on an action assignment sheet. Elevating personal and team accountability for performance is the number one goal of the action register system.

Actions that arise in meetings should be recorded by a member of the team who is fulfilling the role of action register keeper. This person is responsible for documenting all actions in a concise and easy to read manner throughout the meeting. At the conclusion of every meeting, the action register keeper will review all items recorded and obtain an owner for the action as well as a target date for completion. Action items will be assigned to members who are in attendance as it is essential that ownership and buy-in for completion be gained.

The action register process can effectively used by organizations as an archive of accomplishment, a gauge for productivity, a mechanism to record corrective action plans, and a performance management tool. Documentation is the key to holding individuals accountable. The action register is a tool to ensure management by process by holding all employees accountable for the things they agree to accomplish.

SECTION VI:
BEHAVIORAL PROCESS

The fourth non-negotiable business process in the creation and utilization of behavioral expectations. Every organization, large or small suffers from “Institutionalized Behavior”. In essence, these behaviors have been tolerated for such a period of time that now they have
been condoned and accepted. These behaviors are an anchor to high performance, as they are perceived as acceptable. The setting of behavioral expectations is the foundation for permanently removing institutionalized behavior from the organization.

The establishment of behavioral expectations is driven by the organization’s values that are designed to drive appropriate behaviors in the business. Unfortunately, many employees today are not familiar with their organization’s values or what these values even look like in the workplace. In order to drive employee accountability around behaviors, employees must be able to identify acceptable and unacceptable behaviors as well as utilize a clear process to address any behavioral issues that may arise. The behavioral expectation process can be developed by asking the following questions:

- What does the team leader expect of the team?
- What does the team expect of the team leader?
- What do team members expect of each other?
- What do we do when these expectations are not met?

**Case Study:**

Matt, a supervisor at a large refinery, has had an ongoing performance issue with one of his employees, Justin. Justin is the most technically proficient worker on a team, which is made up of 75% new employees. Justin is the most knowledgeable employee on the team and is very good at completing his assignments in a timely manner. The issue is that Justin prefers to work alone and does not want to assist in the development of his fellow team members. Other employees have reported that Justin is abrasive and condescending towards them when they seek his assistance on technical issues. The situation has escalated to the point where Justin’s co-workers avoid asking Justin for assistance and try to resolve their issues on their own, which has resulted in several costly mistakes that could have been prevented if Justin would have taken some time to assist in the development of his co-workers for the good of the team. Justin claims it is not his job to train his teammates and if they cannot do the work, they should not have been hired.

This case study demonstrates how our traditionalist mentality has persisted in the workplace when most companies are forced to compete in an environment where the entire workforce is needed to contribute to the success of the business. The claim “it’s not my job” or “the boss told me to do it this way” are used as justifications for lack of involvement by employees in many organizations today. These behaviors cannot be tolerated in today’s competitive business environment. Employees need to understand and identify behaviors that are acceptable and expected in the workplace. Discussing and documenting the behavioral expectations that will guide the team’s behaviors is the first step in managing the team’s behaviors through a specific process rather than through the personalities of the members of the team.

Once clear expectations have been established, a process must be developed that will foster constructive feedback among team members. The purpose of this feedback is to assist all members of the team in their development for the good of the team as a whole. Employees must have a process that will allow them to consistently address inappropriate
behaviors so these behaviors can be changed and a process to recognize the appropriate behaviors so they may become the norm within the team.

SECTION VII: CONCLUSION

Organizations today are suffering from a lack of Process Based Leadership. In fact, the last fifteen years have promoted Personality Based Leadership and consequently organizations have lost focus and consistency.

Organizations must apply the same level of discipline that is applied to making of their products. Certainly in this arena, processes are set, defined, documented and audited to insure a repeatable quality product or service. Now is the time to apply the same proven methodology to our people. Organizational employees are starved for communication, consistency, focus and support. Only through the use of non-negotiable business processes can organizations expect to truly sustain high performance.

Human capital is by far the most complicated piece of equipment any organization has regardless of size. Process Based Leadership results in fully documented processes that can be repeated and adapted to any environment. They can be audited to measure their effectiveness resulting in measurable outcomes in the performance of an organization. These processes can be adapted and changed as the environment of the organization changes in order to maintain its competitive edge in the marketplace. As these processes are developed, introduced, and practiced in the organization, they become the norm for all employees. The result is a workforce that is focused on doing what is good for the business, because if the employees take care of the business, the business will take care of the employees.