

Devolving decision making: implications for leadership development

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Abstract

Purpose – *This paper aims to explore the implications for the way organizations develop leaders when decision making is delegated closer to the front line.*

Design/methodology/approach – *The paper explores this theme using the National Trust as a case study.*

Findings – *Conventional distinctions between “management” and “leadership” become blurred and potentially misleading when front line managers become more accountable for local performance. In addition, a blend of interventions is required to develop skills at various leadership levels, ranging from technical to personal, and group-based to individually tailored.*

Research limitations/implications – *The case study is based on a charity and ignores the implications for fiduciary duties for directors and trustees. In addition, the paper does not include a review of the definition of devolved or delegated decision making. Finally, the case study is ongoing and the final results from the work will not be evident for up to two more years.*

Originality/value – *Devolving responsibility in a charity is a rare and courageous initiative, given the broad array of stakeholders and level of public scrutiny. Given this challenge, private and public sector organizations can benefit from this experience and identify ways to engage their own stakeholders in the practical leadership development implications of a similar decision.*

Keywords *Decision making, Leadership, Development, Delegation, Charities*

Paper type *Research paper*

Making decisions is one of the most important functions performed by leaders (Yukl, 2006). However, in the majority of organizations, decisions are expected to be made by those at the top (the “leaders”) and implemented by those lower down the organization (the “managers”). But with growing competitive pressures and the need to create more flexible, reactive and dynamic organizations, this linear, centralized and invariably bureaucratic approach is coming under greater scrutiny. In response, organizations are beginning to look more seriously at what it means to move decision-making authority closer to the front-line.

Having embarked upon a strategy to delegate or devolve decision making, what are the implications for managers and leaders? As the manager, or leader, in such an organization, to what degree might our more conventional views of what it is to lead need to be challenged? Are the boundaries between manager and leader becoming even more blurred? And what does this mean for the way organizations develop leaders, at every level? Using the experience of the National Trust, these questions are explored and some insights are offered that other HR practitioners can look to apply within their own organizations.

“Are the boundaries between manager and leader becoming even more blurred?”

An overview of the National Trust

The National Trust is an independent charity that protects over 709 miles of coastline in England, Wales and Northern Ireland. In total, it looks after 627,000 acres of countryside, moorland, beaches and coastline. Among the historic properties in the Trust's care are 215 houses and gardens, 40 castles, 76 nature reserves, six world Heritage Sites, 12 lighthouses and 43 pubs and inns. The trust invests over £160 million a year in the nation's environmental infrastructure and works with over 40,000 companies, including 2,000 specialist conservation businesses. The organization relies on the generosity of its supporters to continue its work. In addition to donations, income comes from its membership scheme under which members gain free access to properties and special benefits in return for an annual membership fee.

Dame Fiona Reynolds, National Trust's director general since 2001, says: “The trust often felt chaotic and grew like topsy – but, driven by passion and determination, achieved many extraordinary things, including continuing to care for a growing portfolio, supporting a huge and growing membership and new activities like shops, publications and catering.”

In 2001, the trust undertook an organizational review to introduce a new structure and order, and to introduce more professional management that would drive a more ambitious, outward facing agenda. In 2007, this was further addressed by a strategy that championed deeper engagement of the trust's supporters through conservation and adopted an explicit triple bottom line approach for decisions, focusing on contribution (a form of financial surplus or profit), conservation and sustainability.

The decision to delegate

Paul Boniface has been the director of people and governance during this time. As a key member of the senior management team, he was closely involved in the creation of the strategy. He explains: “Our strategy had two key outputs that focused our thinking: the engagement of our supporters (getting them to join in not just join), and better and better conservation and environmental performance. In order to ensure that these outputs could be delivered by every property, we already knew that we had to be able to move as much decision making as possible to frontline property managers. What we recognized was that, for us, this required sorting out our finance processes and improving our people capability and infrastructure.”

“Going local” became a theme that reflected how the National Trust wanted to manage itself as well as how it wanted to be seen by supporters. From an HR perspective, going local meant that its work had to help the organization achieve the following three things:

1. apply a more relevant competency framework;
2. up-skill property managers; and
3. let go.

1. Rethinking the competency model

The first task for Paul Boniface and his team was to develop a more relevant competency model, against which property managers could be assessed and areas for development and upskilling could be identified. He says: “What we realized was that every role within the organization, at every level, would be affected. We wanted our property managers to be able

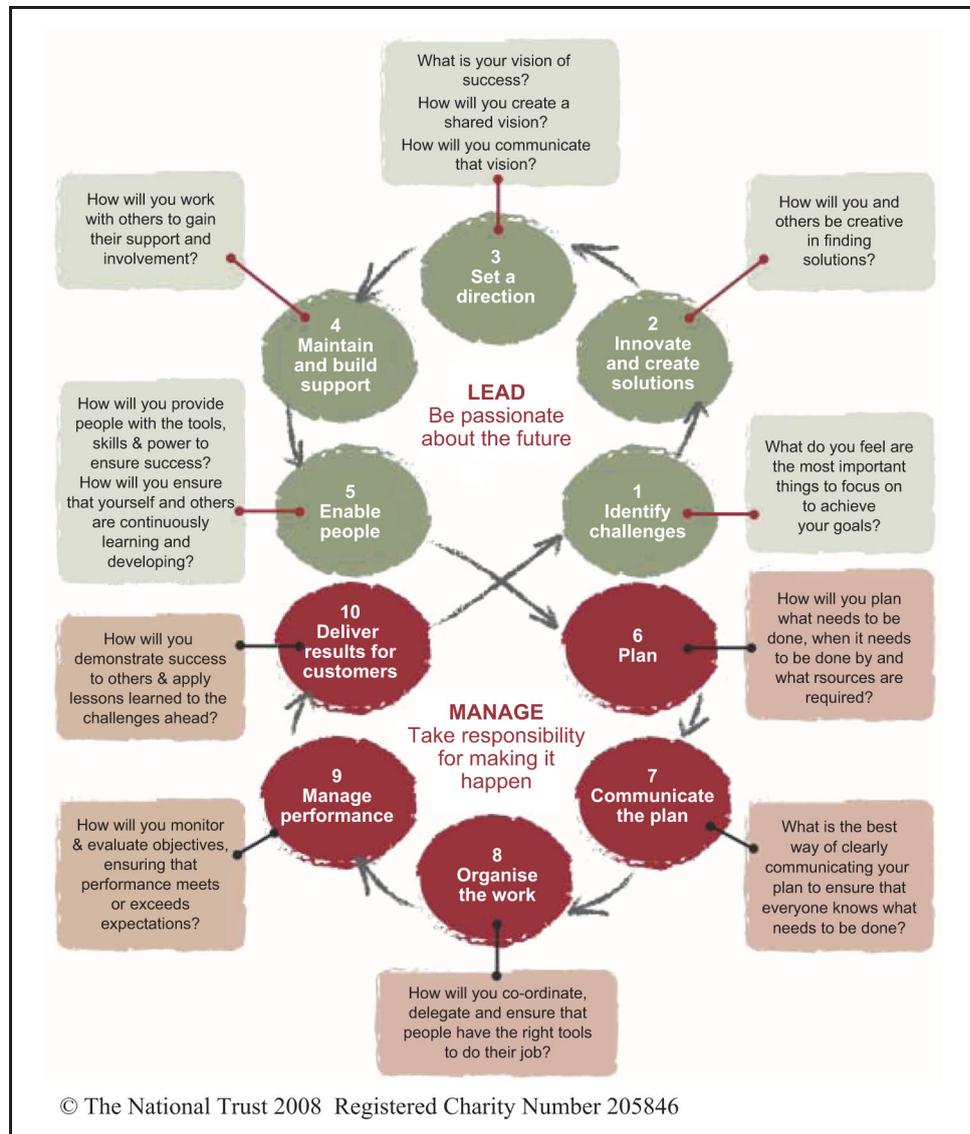
to work with far more autonomy and to manage directly many of the functions that had previously been tightly controlled by the center: financial, curatorial, visitor services, and marketing, for example. We expected our properties to be led by strong general managers who could motivate and inspire what would now be quite a large and diverse team.”

The new competency model – see Figure 1 – made explicit the shared responsibilities across managers and leaders. For each of the ten competences, expected skills and behaviors were set out for each level across the organization, affecting everyone from head gardeners and property managers to department heads based in the corporate center. These competences continue to be used for appraisal and development across the whole organization.

2. Upskilling property managers

Property managers at the trust’s largest/most complex properties were put through a rigorous assessment process and today they all either already operate, or have the potential to operate, at the right level to lead their properties. The competency model was

Figure 1 The National Trust competency model



the centerpiece of this assessment exercise. Combining management competences and leadership competences became particularly powerful at this stage. Paul Boniface says: “This is not about everyone becoming a strategist. We still needed to make sure that control and management skills were in place and being developed. We needed a balance.”

As a result, a substantial proportion of property managers were replaced by new general managers who already had experience of leading larger teams, often from the private sector. General and property managers now report to assistant directors, operations (ADOs) rather than area managers.

HR developed training and development programs for all of these roles, following the training needs analysis that came out of the assessment exercise.

For ADOs, training courses were developed that focused on three main areas:

1. *Performance management*. Helping them deal with good, bad and average performers.
2. *Targeting*. Helping them develop KPIs and performance indicators that could help them run their businesses rather than satisfy central reporting requirements.
3. *Business planning*. Helping them to think about their properties and identify themes and initiatives that could have a positive impact on the visitor experience as well as meeting conservation needs.

The ongoing development needs for general managers (GMs) are also being addressed. This is largely based on an individual basis, but, in common with many other trust managers, two development themes have arisen that are less technical and more emotional. They are:

1. living with ambiguity; and
2. having difficult conversations.

While development for ADOs tends to be delivered via more conventional group learning events, GMs’ development needs are met via more personal coaching at an individual level. Indeed, the organization has built up an internal community of coaches who have given freely of their time and tailored their support to the specific needs and schedule of the GM.

3. Letting go

The third task for HR was to help the organization actually let go. “The biggest challenge we have had with our more senior leaders has been helping them move away from managing activities to developing people. Our GMs must be very performance focused now, but our more senior managers, as well as ADOs, must be great people developers,” says Paul Boniface. “We have to get our people in the center to think of themselves as service deliverers rather than policy implementers.”

The program is therefore focused on developing new skills for senior operational managers. They have the opportunity to become far more externally focused, and to develop strong external relationships with National Trust’s broad array of stakeholders. Senior leaders have had the opportunity to visit and work with a wide range of other organizations to see for themselves what needs to be done. Senior staff from the conservation directorate have spent time with Shell; regional directors are planning to spend time with Innocent Drinks; and some of the HR team have been to see how the John Lewis Partnership operates.

Has it worked?

According to Dame Fiona Reynolds, the program is paying off. She says: “While there is still much to do, we are meeting all our targets – not just the incremental ones, but the stretch ones we’ve always thought were some way off.”

“ More and more organizations recognize that in the current uncertain economic climate there is a need to make decisions closer to the customer. ”

These achievements include:

- locally and nationally, the proportion of visitors who rated their visit as “very enjoyable” exceeded 69 percent, with over a quarter of properties achieving over 75 percent;
- conservation performance scores went up by over 10 percent at 90 percent of properties last year;
- the trust has reduced its dependence on fossil fuels by 35 percent and is on track to meet the 2020 target three years early;
- most properties are building up their own reserves of funds to use on more local conservation and protection, and maintenance standards are improving; and
- property managers increasingly believe they have the resources and support they need to deliver their business plans.

Paul Boniface comments: “We still have a long way to go. There are still people across the organization, both at the center and within the properties, who see this as risky and potentially chaotic. But our experience so far shows that those properties that embrace this approach are better run, and fulfil their triple bottom line obligations more fully than when they were more centrally controlled.”

Implications for leadership development programs

In their book *Beyond Budgeting*, Jeremy Hope and Robin Fraser (Hope and Fraser, 2003) offer a coherent description of what it takes to devolve responsibility successfully. In particular, they describe a “process agenda” and a “leadership agenda” that fit with the National Trust’s experience. They offer two parallel visions:

1. *The leadership vision*. Devolving performance responsibility to self-managed teams, and creating a great place to work, support and experience.
2. *The process vision*. Supporting strategic decision-making within self-managed teams by knowing and serving internal customers’ needs.

Hope and Fraser and the National Trust agree that for decision making to be effectively delegated to the frontline, both agendas must be followed. In parallel with such significant investment from a people perspective, the National Trust has also been investing heavily in revamping its processes and systems, especially in finance.

It is also significant that the competency model that the National Trust used combines both management and leadership. In his highly influential article, “Managers and Leaders: Are They Different?”, published in *Harvard Business Review* in 1977, Abraham Zaleznik argued that leaders tolerate chaos and a lack of structure and are thus prepared to keep answers in suspense, whereas managers seek order and control and are almost compulsively addicted to disposing of problems even before they understand their potential significance (Zaleznik, 1977). What is clear from the National Trust experience is that such a strict delineation is unhelpful.

Ram Charan has identified eight skills that he believes people need to possess in order to perform, regardless of their role (Charan, 2007). A review of the list, in light of the National Trust experience, suggests that there are managers at every level of the organization who would benefit from the skills whether they work in what might be seen as more traditionally

Table I Leadership skills at every level

<i>Skill</i>	<i>Description</i>	<i>Implications for GMs</i>	<i>Implications for senior leaders</i>
Positioning	Formulating a clear central idea that chimes with customer desires and allows the business to thrive	A new skill required to support the creation of their own business plans	Important at the macro level, and requiring dialogue and debate with GMs rather than imposition
Detecting patterns	Anticipating and reacting to external change	Of more interest than before, but reliant on advice from senior leaders	Of greater importance than before, as they shift away from managing activities
Managing the social system	Shaping the workplace environment so that people can pull together and make the right decisions	An important skill for GMs who have large and diverse teams of people to manage and inspire	Senior leaders need to create a collaborative environment between GMs as well as apply insights from the broader external environment
Judging people	Matching the right people to the right jobs	Important in a more managerial sense	A significantly more important part of a senior leader's role
Leading your management team	Getting talented people to work together	A new skill for GMs as they move from being administrators to general managers	With smaller teams, senior leaders have to provide coaching and advice to GMs
Setting goals	Deciding what the business can achieve	A new and critical skill for GMs	A challenge for senior leaders, as they must influence and challenge but not dictate new goals
Setting priorities	Determining the actions that need to be taken in order to meet goals	Also critical to the success of GMs	While responsible for articulating organizational priorities via the strategy, senior leaders must influence rather than dictate
Dealing with external parties	Being responsive to outside groups beyond your control	Important at only a very local level. They will expect senior leaders to advise them	Considerably more important than in the past and a clear development opportunity for senior leaders

Source: Adapted from Charan, 2007

managerial roles or not. Table I describes how Charan's "leadership skills" might apply to two levels of National Trust leader.

Leadership development programs (LDPs) must be carefully developed to support the strategy of the organization. In his book, *How to Grow Leaders*, John Adair, one of the first to define "the generic leader" and dismiss such a clear delineation between manager and leader, describes the three hallmarks of a successful leadership development strategy as being (Adair, 2005):

1. long-term;
2. focusing on the important rather than the urgent; and
3. multi-component.

In recognizing the need for a clear leadership development strategy to support devolved decision-making, the National Trust developed a plan that satisfied Adair's criteria. The program was always envisaged as a multi-year program, and indeed the trust recognizes that despite initial gains it is far from finished. HR prioritized what really mattered: it would have been easy to develop a broad based development curriculum that focused on a broad set of skills for new leaders. Instead it kept to a handful of development areas, addressing the most important needs across the whole GM population. And finally, the strategy involved a combination of training courses, coaching interventions and self-development.

As more and more organizations recognize that in the current uncertain economic climate there is a need to make decisions closer to the customer, it would be easy to misunderstand what that means for leadership development and to see such a move as broadly a process intervention. The National Trust experience shows us that it is more than that. Indeed it has to be seen just as much as a leadership intervention and requires

a more innovative approach to leadership development than in more centralized, hierarchical environments.

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