

Estimate of the Situation

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The Management Multiplier

Delegation is a technique that employs three concepts to multiply management effectiveness: authority, responsibility, and accountability.

Authority is the amount of control over human and other resources formally assigned to a manager by an organization.

Responsibility defines an organization's expectation of performance by a manager. One is responsible for producing expected results.

Accountability defines to whom it is that a manager will answer for responsibility performance. One is accountable to an identified organizational entity for responsibility fulfillment.

When authority is delegated, accountability requires that performance expectations be clearly articulated. It is not enough for the Vice President of Clinical Services to say, "I'm delegating the authority to manage the Laboratory to you." The Vice President must also say, "This includes the authority required to meet revenue and expense budget goals; satisfactorily resolve physician complaints; meet CLIA requirements; maintain JCAHO accreditation; and hold employee turnover to less than ten percent per year."

Theoretically, the authority to perform all management functions can be delegated. Responsibility, on the other hand, can never be delegated. A hospital governing body or board delegates authority to its chief executive officer for day-to-day management but remains legally responsible for its performance. In turn the CEO delegates authority to the executive staff and, through them, to department managers. Just as the CEO remains accountable to the governing body, department managers retain accountability for performing their delegated responsibilities.

Continuing with our hypothetical Laboratory example, the Laboratory manager will delegate authority for completing certain tasks to department staff but retain accountability for the manner in which those tasks are performed. The Laboratory manager must clearly articulate performance expectations to the Laboratory staff just as the Vice President of Clinical Services did previously with the Laboratory manager.

Delegation and Control

Delegation involves the management cycle's direction and control functions. Because the delegating manager retains ultimate accountability for delegated functions, control mechanisms must be established to provide feedback on how well the delegated functions are being managed. These controls should be established for each critical outcome for which authority has been delegated. The existence of these control mechanisms should not be a secret to anyone in the organization. Controls are typically of two types.

Management by Exception Controls trigger reports to the delegating manager only when actual results differ materially from planned results. These are often automated. The intent is to avoid interference with day-to-day management of the delegated function while assuring action when untoward outcomes occur.

Random Controls are unscheduled checks performed at unpredictable intervals. They can be as simple as an unannounced walk-through of a department during the night shift by the CEO and as complicated as systematic telephone surveys to identify concerns or measure satisfaction levels. The purpose is not to ambush subordinate managers and staff but to allow those who maintain ultimate responsibility for a delegated function to assure themselves that their responsibilities are being fulfilled.

Properly employed, delegation will multiply the effectiveness of managers at every organizational level.

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