

Developing People Faster Takes a Different Approach – Part 2

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In our first article on this topic, we introduced the upside down pyramid with the common results of having under-worked and under-trained staff. The first four steps we covered were:

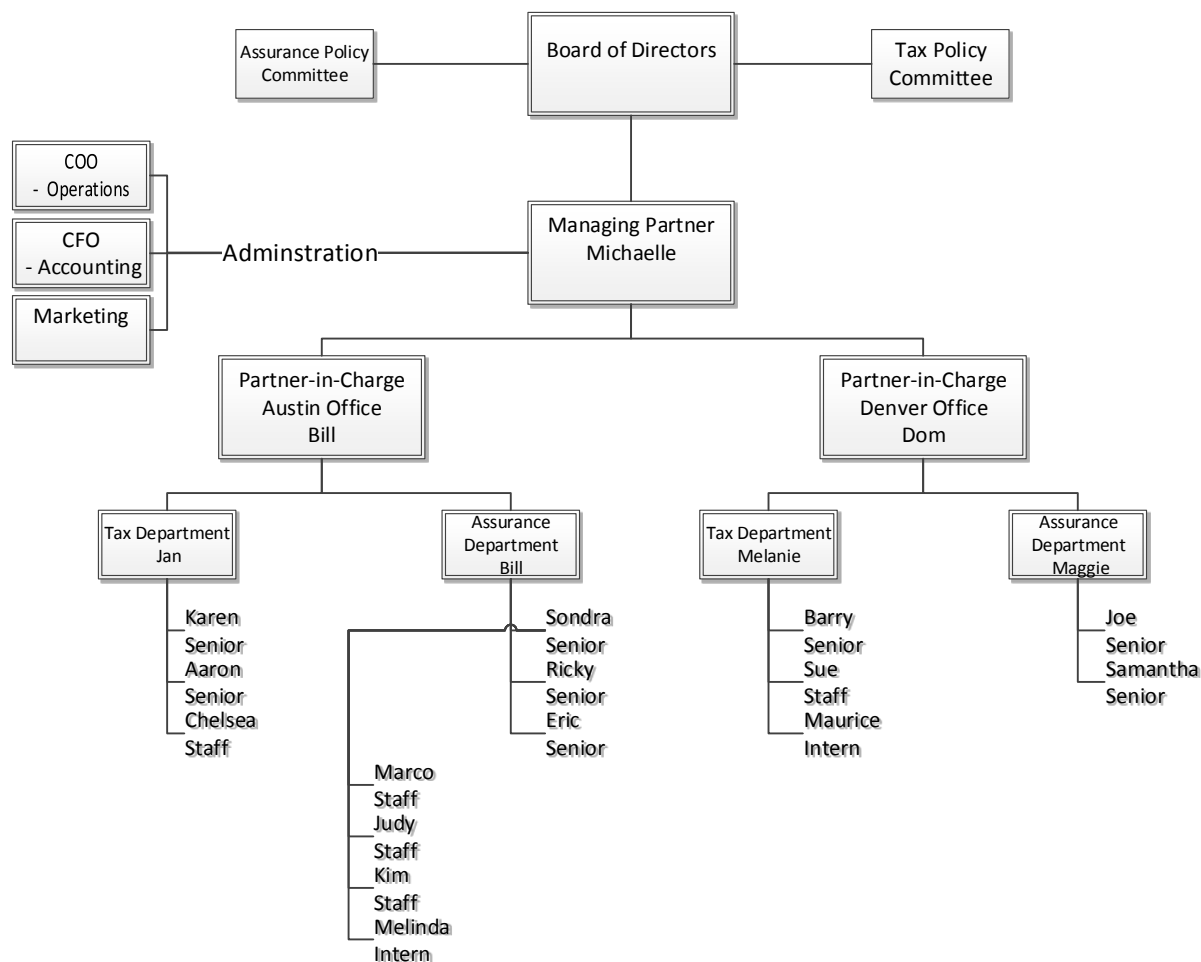
- Step 1: The Solution or Reversing the Pyramid
- Step 2: Understand and Embrace the Critical Importance of the “Learn, Try, Fail™” Cycle
- Step 3: Putting the Development Ingredients in Place
- Step 4: Everyone Needs to Report to One Boss

In this column, we will pick up where we left off by starting with step 5.

Create Developmental Managers, Their Role and the Organizational Chart – Step 5

This next step is to develop an organizational chart where it is clear who is responsible for developing whom. In this chart, you might have people listed multiple times as that person may be in charge of a department and then show up again as being the specific developmental manager for specific people. For example, looking at the chart below, Bill is in charge of the Austin office, which means that Jan and Bill (yes, the same Bill) report to him. But Bill is also the leader of the Assurance department, so that means in that role, Sondra, Ricky and Eric also report to him. Michaelle, as the managing partner of the firm, not only has Bill and Dom reporting to her, but so does Administration, which includes the COO, the CFO and Marketing. Drilling down to Sondra, who reports to Bill as the department leader of Assurance in the Austin office, she has Marco, Judy, Kim and Melinda reporting to her. The point is ... everyone reports to someone for development; we will get more into those job roles in a minute.

Before we go there, understand that laying out this organizational chart takes a lot longer than everyone thinks. It is normal to work through this three or four times before a firm finally gets to a picture they like. While many people don't need to have anyone reporting to them for developmental purposes (although many of those people in CPA firms will constantly have people reporting to them on a project-by-project basis), everyone needs to show up with only one person as his/her direct boss.



So, what does this direct boss do? As you can see below, it's a number of things. The developmental manager (we are not referring to the function of managing people and not the title in a firm of manager) is:

- assigned to make sure the people reporting to him/her get better;
- responsible, for each person reporting to him/her, to determine what competencies each person needs to develop to do his/her current job (in other words, assess each person's strengths and weaknesses related to the firm's competency model and make sure each person has a development plan to obtain a minimum level of skill and experience so that he/she can satisfactorily function at least at the minimum level across all competencies the firm expects for that position);
- responsible for setting the annual incentive goals for each of his/her direct reports;
- responsible for monitoring frequently, with formal discussions as to progress, how each person is performing against those goals (at least once a quarter, most likely very short meetings once a month);
- expected to regularly review and assess personally enough work for each direct report to be able to determine whether each person is getting access to the right and necessary experience required to develop the skills expected to perform his/her job; this evaluation would result in the identification of additional training, specific niche areas of training,

general and specific niche experience each person should be exposed to, coaching and more to ensure that each direct report is progressing in his/her development plan;

- tasked to reach out to those in charge of scheduling, as well as project managers supervising the developmental manager's direct reports on various projects to request specific job training or experience to be provided to the direct reports;
- tasked with stepping in and resolving conflicts that arise with his/her direct reports; a common conflict is that direct reports will be pulled in too many directions by numerous project managers (who are often partners, principals and managers with the firm) and can't get all of the work done; in these cases, the direct reports are to come to the developmental managers so that the developmental managers can resolve the work overload or deadline expectations; in other words, when a direct report is put in a position where he/she doesn't feel he/she can do the job, either because of time available, timing of the project, skill/experience needed, etc., the direct report goes to his/her developmental manager for a final decision as to what to do (which means that the developmental manager will likely have to get with a partner or principal and work something out); to be clear, the direct report has one boss and when conflicts arise, the direct report goes to his/her boss for direction and when appropriate, the final decision; the developmental manager becomes responsible for finding a solution;
- responsible for the evaluation of all his/her direct reports based on the accomplishment of those goals; while the developmental managers need to seek input from other people who worked with and managed their direct reports on various projects throughout the year, the developmental manager is the only one responsible for making the final evaluative recommendation to his/her boss (the developmental manager's developmental manager);
- partially – but significantly – evaluated and compensated based on the performance of the people he/she directly supervises;
- expected to council or terminate, with the added approval of his/her developmental manager, those direct reports who are not and cannot achieve the minimum level of competency across all of the expected competencies for whatever position the direct reports hold;
- charged with making bonus and salary change recommendations for each direct report based on each direct report's development progress and job performance; and
- responsible for mentoring his/her direct reports to prepare them to be promoted up to the next level in the organization.

As you can see by the list of expectations above, being a developmental manager requires time. And that time needs to be spent understanding, monitoring, proactively guiding training and experience opportunities, coaching, evaluating, rewarding and when necessary, terminating those people who report to them.

It should be no surprise to anyone that very few people in a CPA firm are currently fully prepared to step into this role. The vast majority of CPA firms don't even have a culture that supports this level of development, and even those that do with rare exception have delegated enough authority and responsibility to their developmental managers to carry out their charge. Then even fewer, or better said almost none, reward their developmental managers in a substantial way based on the performance of their direct reports.

For all of these reasons, we suggest that you start this process out slowly, lay out the plan with the entire firm, but roll this out in small groups to make sure you fine-tune the process and expectations. For example, if a developmental manager has five people reporting to him/her and

believes four should be fired, then the odds are very high that the developmental manager is the one who doesn't know how to do the job. So, this means that each firm needs to work closely with its developmental managers to ensure those people know what they are doing and are actually doing the job, before turning over the full authority and responsibility of the role to them.

Make Sure Your Developmental Managers Have the Right Tool Kit to do the Job – Step 6

The developmental manager needs training. In our experience, most people don't know how to manage people in our profession; they know how to manage projects. There is a difference. Make sure the developmental manager receives help in learning how to manage and develop people. Spend time and resources giving them training in this critical, foundational skill. The Situational Leadership® training is a great starting point. This is a management course developed by Dr. Paul Hersey and Dr. Ken Blanchard, based on Hersey's best-selling book called Situational Leader, which really created the field of organizational development.

Make sure the people you charge with development have some time set aside to perform the important process of establishing expectations, creating action plans, monitoring performance, and providing timely feedback. ("Timely" can be considered, at maximum, every 90 days, but more frequent feedback is far better.) Don't confuse this feedback process with HR compliance. This is developmental activity that needs to be ongoing and consistent. As well, the developmental manager should not become totally administrative in nature. For example, if we are setting expectations for a technical manager in a firm, we might expect 1,500 chargeable hours (because they basically don't develop people except by teaching them technical skills or giving them on-the-job work experience on the projects they manage). However, for a developmental manager, maybe 1,200–1,300 chargeable hours is right, depending on the developmental load.

When appropriate, leverage tools such as a 360° assessment to provide additional insight regarding performance for the person being developed, as well as to the developmental manager.

Someone needs to provide oversight to anyone in the development role. In CPA firms, it is easy for developmental managers at every level to get overly focused on charge hours and put off the developmental efforts until they have free time, which is often never. Oversight must be provided to those who are charged with people development to ensure that:

- competency expectations are being shared early and often;
- action plans are being timely developed and communicated, including external and internal training, along with on-the-job exposure to experience-based learning;
- frequent monitoring activities are occurring; and
- timely feedback regarding performance is being provided, with action plans being updated and communicated at appropriate intervals based on progress.

This process closes competency gaps at and between every level, creates talented capacity at every level, and builds an army of personnel that is better, faster and stronger much more quickly.

Another point to consider is that not everyone is suited to develop people and even if everyone you have is suited for this role, it is not effective or efficient to get everyone involved in this process. For example, if you have three managers and eight staff, the normal approach most

firms would take would be to divide the people between all three managers. However, in our opinion, assuming all three managers are in the same specialty area (like tax) and all eight people mostly work in the tax area, one manager can be the direct boss of all eight of them. This creates efficiency in the process of developing others, generates consistency in the developmental plans and allows the firm to leverage the best people developers among their group of managers.

This same story is consistent as you move down the organizational chart. One supervisor can manage a number of seniors. One senior can manage numerous staff and so on. General management theory says that when a person starts managing around 10 or more people, his/her span of control is starting to get too wide to adequately monitor their activities and process with a reasonable level of frequency. So, when someone is assigned too many people, management effectiveness starts to fail, because that manager is responsible for too many people without adequate time to manage them well.

Finally, as mentioned above numerous times, create (build your own) or adopt (use a third party's model and maybe tweak it a little to work with your firm) a competency model for the various levels of people within your firm. If you want your developmental managers to be effective, and more important, consistent, in the way your people are trained, everyone needs to be working with the same expectations. This means that each developmental manager does NOT get to pick and choose what is expected of his/her direct reports at each level, but rather each is held accountable for developing exactly what the firm has decided is important for its people at each level to be able to demonstrate.

Recognize that once you have a competency model that you are using, it is important to establish minimum levels for each competency, as well. For example, while everyone has strengths and weaknesses, and we want to leverage our people's strengths and minimize the impact of their weaknesses, at what level is someone's weak competency acceptable versus being too low to even meet the minimum standard.

In our next column, we will wrap up this discussion with the final two steps, which discuss accountability and developmental action plans. Happy holidays!!!!