



LEADERSHIP ACUMEN Issue 27

© Doug Macnamara & Banff Executive Leadership Inc. 2007, 2010

What's in a Job Title?

As you and your partner walk into the weekend social gathering you realize you will have to introduce yourself to others. Your mind races – what should I say? “Hello, I am Doug, father of Robert and Leah” – for some that might be the best intro. “Hello I am Doug, 1st husband of Liane” – for others that would definitely be most valuable! “Hello, I am Doug, outdoor enthusiast, explorer of culture and arts, international man of mystery.” – Likely closest to the truth, but will they care? No. What most people want to know – indeed they will politely press you again and again to find out – is what you do for a living. What is your job title?

In today's society, we have become significantly defined by our job titles. And, we often define ourselves by our titles. Not that I think this is healthy, however this has become particularly clear in the work we do with executives in transition or when recruiting new employees.

And so, at a time when so many people put so much weight on titles, I am interested to note that we have become terribly “sloppy” with the use of job terminology. Both job incumbents and the executives hiring employees seem to have forgotten what various titles connote. Of course, we are also getting very creative in establishing new titles – many which challenge our sensibilities.

Thus this article provides a little “primer” on creating/using job titles. You may not need it today – but chances are this will be a good reference for you in the next few months! Here's what is covered:

- Fundamentals of Management levels and titles
- C-Suite titles becoming standard around the world
- Learning from a Grand Experiment – that failed
- Concepts from “Requisite Organization” and Elliott Jacques
- Application to Realities of today

Fundamentals of Management Titles

In the first organization in which I became a Vice-President, I was invited into a meeting with the VP of Compensation & Benefits. As I entered his office and shook hands, he closed the door and congratulated me. What followed was a formal session outlining the organization's expectations of me. Performance and Results of course, but also community service, role model & ethical practices, privileges, and so on. The brief also included information on how the executive committee “worked” and how I was expected to know about the whole organization – not just my Division. It was at this point that I truly appreciated the difference between watching VP's in action (from lower in the organization), and now understanding the ramifications of the unseen responsibilities and accountabilities of being an executive.

In the second organization which I served as a VP, it seemed the big distinction was in what kind of company car I was allowed to have. Other than that, there was a general vacuum of concrete and specific expectations – although we did engage in strategic meetings and behave as a bit of a select ‘club’ looking out for the whole organization.

In the third organization in which I served as VP, I think it was generally expected that because of my experience, I would know what was meant by being part of the executive team. Over the first 6 months of watching and listening to others, and feeling the effects of different personal contributions around the exec table, the specific expectations of this organization became clear. However, there was one formal conversation I had with the President and CEO that I will never forget.

“As a vice-president, you are acting on my behalf,” said the CEO. “You are not representing your Division to me, rather I expect you to lead and manage the Division on my behalf.” This was a blinding flash of the obvious – yet I immediately understood that in so many organizations today this simple concept is not appreciated or understood either by the VP’s themselves or the people lower in the organization.

In fact, in many organizations, and for countless members of the management cadre, the specific expectations, accountabilities and chain-of-command are poorly communicated. Here then, are the core elements of distinction within the levels of the management cadre.

Supervisor

This is the first level in most management structures and lifts one up out of the “professional” role or front-line provider role – individual contributor – to a responsibility bigger than your self.

Performance - Your performance is measured by your ability to get others to meet performance expectations, to grow and develop.

Accountability - Generally to a manager, to ensure all your people achieve their tasks on-time, on-budget, with appropriate quality.

Responsibility - Usually the supervisor has limited budget or other resource flexibility, or decision-making leeway. Their main responsibility is to delegate tasks, coach, support and motivate those you supervise to achieve expectations for those tasks. Of course, these are important expectations and responsibilities. You must learn to adapt your style and support coaching to the unique needs of each employee. In many settings, you are also a ‘team’ leader – responsible for getting people to work effectively together.

Manager

At this level, most organizations expect you to “manage resources”, or “manage clients/ accounts” or “manage projects”. This could include managing staff, but not always; sometimes you are expected to work by influence rather than formal authority. The distinction over a Supervisor position is that a Manager is expected to exert judgment about prioritization, juggling of different deliverables with available resources, and allocating those resources in order to achieve results.

Performance - Ability to meet or exceed longer-term objectives – perhaps project-based or quarterly/ annual targets.

- Ability to motivate and empower staff, supervisors, external suppliers to achieve excellence as well as performance targets. This includes training, career support, recruitment and performance management.

Accountability - Achievement of annual/quarterly results, within a given but somewhat flexible Budget. “Results” tend to include financial, service, quality, efficiency, professional standards and other measures.

- Often the Manager is asked to draft his/her annual budget and performance measures in-line with higher level organizational goals.

Responsibility - To understand how your area ‘fits’ into the bigger picture interdependencies and communicate this with those you manage.

- To exert good judgement in your use of, prioritization and allocation of organizational resources.

- To take initiative to advance the organization through your own or your team’s innovations.

- To cross-boundaries within and external to your organization to enhance your effectiveness and advance the organization.
- A level of self-direction and self-motivation in aligning personal and team actions with the goals of the organization.

In a manager-level position, you are expected to summon-up your own energy to take some risk, take initiative and contribute beyond the words of a job description. Waiting to be told what to do, then doing it is not in the zone of being a manager. You are expected to figure out what needs to be done and make it so. In exerting judgement you will occasionally make mistakes. Managers take personal responsibility for mistakes, missed performance expectations and work to fix the problem, then get things back on track ASAP. Managers focus first and foremost on delivering results, and orchestrating others – clients, staff, volunteers, suppliers, etc. proactively so that all elements come together as expected or better!

Director

Directors are generally responsible for a clear business unit or Department or Function within an organization. This level of management is generally considered to have some strategic responsibility for the advancement/ adaptation of their function or business unit in light of changing marketplace or community conditions.

In many organizations, Directors are the layer of management most responsible for the day-to-day success of major parts of the organization along with some strategic expectations on an annual and business planning basis to continuously improving/growing their area's impact.

Performance - Beyond results (which are also important), performance is often assessed by the level of impact the business unit/function is achieving for clients, for products/services, for community, shareholders and stakeholders.

- Significant leeway is often given to Directors to exert judgment, take risks, adjust annual plans 'on-the-go' as required to advance the organization, achieve impact and deliver results.

- We also expect Director-level people to set a good example in working across the organization and establishing a presence outside the organization – in community, business or professional associations.

Accountability - Achievement of annual/quarterly results.

- Positioning/advancement of image and reputation of the business unit/ function within the organization and externally.

- Empowerment and vision establishment with staff, suppliers, etc. such that all are committed to advancing the organization and impact of the business unit.

- Succession planning, resource development, professional development and risk management.

- Strategy for improvement, advancement, innovation and development of Annual Business Plan.

Responsibility - To understand how your business unit/function creates impact in the community and inter-connects with other parts of the organization.

- To pay attention to trends, best practices, industry/ professional standards evolution – and ensure these are applied/ used to stimulate advancing practices and performance of the business unit.

- Authority for selecting, recruiting, adjusting the unit's staffing, alliances/ partnerships, suppliers to ensure the right human capital is in place to today and the future.

- "Team" creation, leadership and mobilization in order to advance the unit and the organization.

- Deliver results today, while positioning/growing/adapting to deliver improved results for the future.

- Investment, risk-taking, initiative into uncharted territory for the business unit/ function.

- Signing Authority often to commit the organization and its resources to projects, contracts of service provision with clients and some service/product purchase contracts.

Vice-Presidents VP's are generally considered officers of the organization responsible for leading major Divisions, Professional Functions (Legal/Marketing) or Strategic Business Units of organizations.

In government, this level can be referred to as Assistant Deputy Minister (ADM). While expected to handle day-to-day operations through the next layer of management (Directors), VP's are also expected to operate at a higher, strategic level – focussed on the future, developing longer-term strategy, investment, alliances/partnerships and connection to major stakeholders.

They are also expected to represent the organization externally. As an officer of the overall organization, a VP is not only supposed to lead and advance their own Division, but to find ways to contribute to and advance other parts of the organization as well. Often they must represent, answer on behalf of, and sometimes defend the actions of other executives with staff and public.

Performance - Like all layers of management, VP's are measured on results attained by their Division and all those therein.

- Ensure the direction their Division is headed is appropriate given the changing landscape around them.

- Phasing out areas on the wane, investing-in and innovating new products/ programs/ services that will position the Division for sustainability and growth.

- Share in the performance of the whole organization, including poor performance, and other Divisions.

Accountability - Achievement of annual/quarterly results

- Growth and increased profitability over longer term – say 5 years or more

- Turn-around, start-up/growth, or downsizing strategy and execution towards results over a 1-3 year period

- Contribution to shareholder/owner 'value' improvement.

- Development of assets: human, financial, technical, IC, network & alliances, community/government relations, etc.

- Return on investment in assets

- Brand recognition, product/program/service reputation, community goodwill

- Operational impacts and side-effects

Responsibility - To accurately read the 'dynamics' in your industry and beyond, including:

- changing expectations and demands for your services/products

- opportunities for innovation

- potential leverage with other parties through alliances/ partnerships

- provide clarity & accuracy in reporting, transparency & accountability

- compliance or leadership w.r.t. regulation & standards that apply to operations

- To grow the asset value of your Division

- To facilitate knowledge exchange and innovation throughout the network of formal staff, suppliers, customers and community members.

- To create Vision, and mobilize the Division towards a desired future state in-line with overall organizational vision and goals.

Variations

On a Theme

General Managers/ Executive Directors/ Country Managers

In larger organizations or situations where there are distinct 'pods' of operations (geographic or Functional), companies will sometimes create a layer situated between Director and VP. These roles are similar to the VP role, except generally not officers of the organization or members of

the executive team; but they do have overall responsibility and authority for both strategic and operational aspects of their 'pod' of people, programs, services, and product adaptations.

Senior Vice-Presidents/ Executive Vice-Presidents

Again, mainly in larger organizations, there are added layers within the VP cadre. Senior Vice-Presidents will either be given such a title because of their experience and seniority and/or they may have several VP's reporting to them in a strategic area of organizational operations from around the world – such as Sales, R&D or IT.

The Executive Vice-President title is generally reserved for a very senior class of VP's – often those that form the executive committee of the CEO. In organizations where there are too many VP's to have all of them together, a more nimble and smaller group of advisors to the CEO and Board, the EVP's provide the top strategic layer of the organization's management team. In some cases the EVP title is reserved for the distinction of the organization's #2, or from a succession point of view, the next CEO. Now, often, Executive VP's are being appointed directly by the Board – ensuring Board involvement in succession planning and choice of its senior management cadre.

The C-Suite – Standardization in Sr. Executive Titles is Evolving

Historically, and in many jurisdictions still today, the legally recognized head officer of an organization is titled President. Some organizations however have given the title of President to an elected or appointed position leading the oversight body such as the Board. This has required a different title to designate the senior-most Management position which is responsible to the oversight body/Board.

Chief Executive Officer

In various sectors and geographies, this role had become traditionally titled as Executive Director, Managing Director, Deputy Minister, Managing Partner, etc. often leading to confusion between sectors and jurisdictions. Thus, the CEO title has evolved to become somewhat of a standard worldwide to designate this senior-most Management position accountable to the Board/ ownership body.

The CEO's role in most organizations has also become consumed with activities related to dynamics scanning and direction-setting, Board linkage, plus the securing of financial and relational resources.

This requires a great deal of work external to the organization – and while they are expected to be accountable for and oversee day-to-day operations, plus provide overarching Vision and direction, the time-demands for CEO work alone often leads to the creation of the next C-suite position – Chief Operating Officer.

Chief Operating Officer

Usually, the #2 executive manager of the organization, this position allows the CEO to travel, explore, think and raise financial/ relational capital for the organization. The COO position is thus the one who is personally involved in leading all areas of day-to-day operational management of the organization. Clearly the CEO and COO positions must work closely together, trust one another, and be in-synch.

Chief Financial Officer

Similar to the COO position, the CFO needs to be in-synch with the CEO for all matters financial. Historically the senior financial manager in organizations has had varied names too. However, with the evolving consistency of securities regulations around the world and particularly the US Sarbanes-Oxley Act, standardization around this CFO title has occurred rapidly.

CFO's along with CEO's are now accountable to sign-off on the accuracy of financial statements for their organization – with substantial penalties for inaccuracies or malfeasance. As a result, the CFO not only reports to the CEO but often has a direct connection to the Board for financial reporting, processes and internal procedures audit.

Chief Information Officer The CIO title is probably the next most common C-executive title. Usually related to the IT function, it has also expanded beyond this to include all organizational information and technological back-bone, data-base, and e-commerce elements of the organization.

As one can see, the C-titles are largely replacing the Executive Vice-President language, or get added to the President and Vice President titles in smaller organizations due to evolving standardization. Other C-suite titles emerging include:

Chief Administrative Officer	- Popular in Civic Governments as an alternative to the CEO title.
Chief of Staffs	- Top HR executive
Chief Talent Officer	- Top HR executive
Chief Innovation Officer	- May be found in Research & Development or Marketing driven organizations
Chief Strategy Officer	
Chief Investment Officer	- These last few are probably self-evident, but start to break down the distinction
Chief Knowledge Officer	of such titles as being executive positions, if not held by an executive.

Learning from a Grand Experiment

In the early 1990's, while I was working at a major Canadian multinational financial institution, the company's leadership embarked upon a bold initiative to change titles in the organization.

For context, we had spent many years building employee engagement, instituted stock purchase, option and loan programs, and developed a significant customer-focussed culture. Management had worked hard to break-down barriers between management and non-management employees so that all felt as "partners" in the business. The organization chart was even circular – with customers/clients on the outside rim along with front-line staff and professionals that served them. Management was represented by "spokes" of the wheel, with executives at the hub – supporting outward the work of everyone else in delivering value, products, programs and services to clients and community. Such initiatives were very successful, engaging and helped drive growth in the various business lines. We had a dynamic 6,000 employee base around the world, "firing on all cylinders" so to speak.

The next initiative was to change titles in the organization. The idea was to go to only 3 different titles – supplemented by functional description. It was well considered, researched, debated and agreed upon by VP's.

Managing Partner The Managing Partner title was to be for the executive/ officers (VP's) with major Divisional responsibility and authority. It was also marked by the fact that these individuals had "invested" in long-term growth and success of the company by purchasing large blocks of company shares through a loan program organized by the company. Internally and externally, these individuals had accountability, responsibility and authority to make final decisions. Clients, suppliers and staff would know that "the buck stopped" with these individuals.

Partners This title was assigned to other managerial levels and key professionals who could truly impact and advance the organization by the decisions made and judgement rendered. These individuals were also expected to be investing in the company stock-purchase program (with matching company contribution) and many senior-level Partners also received "options".

The Partners were envisaged as the day-to-day “point-people” for various business units and were also expected to work together in a team environment – supporting one another. They were also expected to be aware of how their own actions and those of others in the Partner cadre would affect their share of success in the overall organization.

Associate Partners This title was for support staff and professionals largely working as individual contributors and directly interfacing with clients, suppliers, community. Also, an Associate Partner was one who chose for financial or other reasons not to participate in the company’s stock purchase plans. In most cases an Associate partner reported to a Partner – sometimes a Managing Partner.

Brilliant in its simplicity and team-enhancing design, shortly after implementation it was a complete failure!

It is hard to know exactly why it didn’t work out, especially with all the years of work leading up to it. And, there were many business imperatives to support it: de-layering, removal of “hierarchy” and reduced bureaucracy. Clearly there was a multi-dimensional set of issues that brought it crashing down.

Internally the several layers bundled together now into the Partner category led to confusion of the distinctive differences in performance, accountability and responsibility outlined in the title parameters earlier. Some felt ‘demoted’, others felt uncomfortably ‘stretched’, yet in truth there were many who embraced the approach with exuberance. The cultural foundations had been well laid down.

Probably the layer least affected was the Managing Partner group. They were already well established and recognized anyway, and they already had maturity and capacity for working with ambiguity. There were also some with dissent in this group too, as could be expected.

The Associate Partners category felt a little ostracised, in a way we didn’t predict and certainly wasn’t intended. And, there was some confusion around the whole involvement in the stock purchase program. Some who were involved in the stock purchase program were still given the Associate Partner title.

Externally the world just wasn’t ready for such a significant change. Again there had been lead-up and lot’s of communication. But clients still needed to know which Partners did what, and to whom they should elevate special requests or complaints. Other organizations and suppliers were dubious whether all Managing Partners actually had authority to sign contracts and represent the organization – and again to whom did they elevate concerns/issues?

In general, the social importance and personal identity dynamics caught up in titles was really underestimated. The move to only 3 Titles also caused confusion – where once we had well developed clarity – about what was truly expected from each Layer and/or Function and/or Professional nomenclature. This initiative went up against generations of ‘conditioning’ which, while most were intellectually agreeable to the change, was difficult to handle at the ‘gut’ level. Within about 2 years of its implementation, titles had reverted back to the traditional.

We learned the hard way, that titles play an important structural and social role in organization and broader society! We also learned appreciation for all the good things that had evolved over the years in the existing titles and the clarity built into the system. Additionally, I think that it proved titles can evolve and should do so something like the C-suite evolution. The initiative might even have been successful if it had added the 3 titles to people’s business cards, then over time, eliminated the traditional. Unfortunately the ‘revolutionary’ approach proved to be something much more difficult!

Requisite Organization

Any discussion on organizational titles and structures would be deficient without reference to the work of Dr. Elliott Jacques. Jacques, a Canadian psychologist who spent most of his years in England and some in the USA, was one of the Human Resources field's leading thinkers. He developed a rigorous theoretical base from a systems thinking perspective, focusing on organizational management, leadership and human resources.

His work on managerial accountability hierarchies recognizes that no matter how collegial and team-based we aspire to be, our organizations and society still have natural hierarchies – and must do so to function well. He examined corporations, government, religious organizations, the military and more. He examined the fads of the past century that have come and gone, along with various modern concepts that do work.

Jacques built his Stratified Systems Theory which examined organizational strata based upon:

- Complexity of time/role
- Time-span aspects for thinking, judgement-rendering, and decision-making
- Values/commitment alignment
- Skilled knowledge required for the role

His strata for organizations identified 7 fundamental levels:

Requisite Organization – Stratified Systems Theory Summary

<u>Stratum</u>	<u>Complexity/Time Span Judgement</u>	<u>Organizational Title</u>
VII	* Constructs complex systems * 25 yr envisionment for planning/judgement/impact	CEO/COO
VI	* Oversees complex systems * 12 yr conceptualization for programs/strategy	EVP
V	* Judges downstream consequences * 7 yr critical task identification/investment/prioritization	Business Unit President/VP
IV	* Parallel processes & multiple paths to success * 3 yr projects, Business plan /Budget considerations	General Manager
III	* Creative alternative pathways * 18 month development and cycle thinking	Unit Manager
II	* Diagnostic accumulation – success/perf. assessment * 6 month improvement – within annual budget/plan	1 st Line Manager
I	* Overcome obstacles, use of practical judgement * Daily to weekly outputs	Shop & Office Floor

The reader can see that Jacques' grid is similar to the management layers presented earlier in the article. Somewhat controversial in Jacques' work is also the consideration of whether individuals have the mental capacity/experience to work at higher levels. One thing is clear in my experience, that throwing people into higher levels without any experience at lower levels is sure recipe for failure. And yet, organizations often do this. Technical-professional development is not the same as the socio-strategic elements wrapped up in Jacques' stratification.

As Elliott Jacques passed away in 2003, the Knowledge Economy was just starting to come into prominence. It would be interesting to see how his concepts may have evolved to include knowledge-professionals outside the management sphere that must address increasing complexity and time-span effects of their judgement.

Application to Realities of Today

The most obvious application of these concepts is for executives and their organizations to ensure titles are used correctly – and that those at each level of management truly understand the performance, accountability and responsibility elements of their role.

However, the bigger challenge today comes from de-layering. Making our organizations “leaner and meaner”, has meant often eliminating layers of management, plus adding responsibility and team-leadership/ self-direction expectations to our non-management knowledge professionals.

So, if you eliminate a layer, what do you do with their responsibilities – push them up or push them down?

This is a critical organizational design question.

Often we push them down – hoping, expecting that the lower layer people will rise-up to the challenge. In some cases the individual is ready, willing and has the capacity to do so. Frequently however, we push these higher-level management functions, expectations for judgement, plus requirement for handling complexity and ambiguity down and it backfires. Particularly in the absence of coaching or mentoring by executives, this is proving to have debilitating effects in many organizations.

Another option of course, is to ***pull the responsibilities upward***. Clearly the capacity and competence should exist with the more senior people, but there is usually a different cost. As senior levels reach down and absorb the responsibilities of eliminated layers, we see delay or procrastination of longer-term strategic thinking. Also frequently observed is the reduced facilitation of innovation, knowledge exchange and motivating inter-personal practices. This condition of “overworked executive”, absorbing the eliminated lower-level responsibilities, has become almost endemic in North America and the deleterious effect is starting to make its way across Europe too.

The more we de-layer and ignore the different natural levels of systems hierarchy and management, the more we realize that these layers were our “engines” for such value creating organizational practices as: knowledge-exchange, innovation, and succession preparation.

We find ourselves staring at a paradox. The answer unfortunately, is not to re-layer.

Rethink - Redesign

Staring into this paradox, realize that our traditional approach to control-point, mentoring and management layers is threatened by more than economics. Global expansion, along with our demographics, is such that the number of doctors, lawyers, executives, and complex socio-strategic decision-makers are starting to decrease through retirement and slower replacement rates from new generations. Electoral processes, some narrowed leadership thinking, and frankly some desperation, are putting people into positions for which they have had no development and arguably have insufficient capacity to handle.

We must stare into this paradox further and re-invent structures, authorities, control-points, and “case” or “team” approaches to address this challenge. Be careful however, these are not traditional team, case or structural approaches. We are going to have to integrate managerial/leadership elements along with knowledge professional/technical roles. But this will not occur naturally or without careful development programs either. As learned from the financial institution experiment, we will have to evolve into these structures rather than totally revolutionizing them.

In North America, demographic trends suggest we have about 5 years to evolve these new structures before it will be too late. This also gives us time to use the aging “Grey Wave” generation to serve as important mentors and guides during this evolution process.

When it comes to job titles of the future, they will still form an important source of social standing and personal identity. Increasingly they will be globally referenced. Most importantly they are going to have to be different – rewired into Partnership and Team approaches, but also taking into account natural strata of complexity and time-bound thinking. Finally we will have to work very intentionally, to be clear about the performance, accountability and responsibility components of these new roles and structures.

The challenge is now. The timing is urgent. Organizational design for the future of companies, our health care system, our systems of audit and financial integrity, our legal systems, government, and voluntary organizations are all suffering and need this attention.

What's in a job title?

A complex socio-strategic-structural-accountability web that is faced with undergoing significant change in the next 5 years!

Exploring the Web!

This month, the connections below take you to sites with more perspectives, commentary and discussions of Job Titles, Organizational Design and related elements.

<http://secure.salary.com/jobvaluationreport/docs/jobvaluationreport/jobsellhtmls/guide-to-national-average-salary-range.html>

Want to see the proliferation of job titles, AND average American salaries? Check-out Salary.com

<http://us.ecademy.com/node.php?id=70515&seen=1>

C-Suite Title Proliferation – Article on ecademyUSA

<http://www.requisite.org/main.html>

Requisite Organization International Institute

<http://www.fastcompany.com/magazine/11/noboss.html>

<http://www.workforce.com/section/09/feature/24/29/22/index.html>

1st Article is from Fast Company “You Have No Boss” – and no title either. Plus “Small Groups – Big Ideas” This provides a look at the culture and approach of W.L. Gore and Associates, manufacturers of Gore-Tex clothing.

http://www.managementhelp.org/org_thry/design.htm

Guidelines for Organizational Design – A portal assembled by Carter McNamara (probably some distant relation!) This is a very thorough collation of references, articles and more.

<http://www.bullshitjob.com/titles.html>

For FUN! – The auto job title generator!

Banff Executive Leadership Inc. offers public and customized programming to improve Board Governance and Executive Leadership Practices. We also provide coaching and consulting services to Boards and Executives to help enhance their leadership practices. Please contact us if we can be of further assistance.

If you found this article useful, please forward the article's web link to a friend!

www.banffexeclead.com