

Dual Career Paths

In a world where most companies praise their employees as their most important asset, it is amazing that only a few are organized to take full advantage of these talents. The underlying problems are structural and, in some ways cultural, but regardless of their causes the financial impact on these companies is significant. Those that understand how to correct this flaw rarely talk about what they have done . . . as they quietly enjoy a significant business advantage in both efficiency and overall effectiveness. Their attitude seems to be – Why help our competitors when they don't even know they have a problem?

But we see the problem and its effects all the time. What is the underlying cause of this situation? It's a lack of respect for technical and professional expertise. This is demonstrated by the way most companies take their "best and brightest" employees and turn them into managers. This works well for employees who are talented managers and like to do this kind of work, but it creates significant problems when you try to make managers out of people who don't fit the job profile, don't like managing people or aren't any good at it.

Part of the problem is that our culture tends to equate success with being a manager or at least being "in management." This is understandable; it is a lot easier to explain a promotion when you manage a department with 30 people than when you've had your decision-making authority expanded to cover more complex and important financial decisions, legal issues, processes, systems, etc. Yet, these technical and professional talents are just as important as managing a group of people who do these functions – sometimes more important.

So, what exactly is wrong with making great technical and professional experts into managers? Nothing – for those few who have the ability to be good at both people management while also excelling in their technical area. But most people are not this talented. Those that are excellent professionals but have little talent or desire to be managers will eventually fail and have to be replaced. This is an undeserved failure. It unnecessarily hurts the employee but also hurts everyone's morale, especially those smart enough to understand that this person never should have been put in this position in the first place. But this isn't the biggest problem. The most expensive and biggest problem is with the managers that don't fail but adjust their management job so they can still do their technical work. In most companies these are called "working managers."

Many companies mistakenly believe this is an efficient situation because they believe they are getting a "twofer," two people for the cost of one. They are keeping their technical expert and also getting a manager. This couldn't be farther from the truth. What they usually get are too many units (more units and managers than they need), units with narrow spans of control, extra layers of management and a degradation of overall managerial and technical expertise.

How do you avoid this? The solution is to create a system of dual career paths for your high potential employees. This means establishing equivalent jobs, pay grades, titles and office space for professional / technical experts and managers. In most areas, this will need to be done up to and including officer level positions. Sounds expensive? Actually it isn't.

Let's look at what we normally see in a company without dual career paths. Specifically, let's look at the first level of management in a typical insurance company (Although the characteristics apply to most service companies.). This could be a multifunctional team, a customer service unit, a claims paying or an underwriting unit. Without dual career paths these units usually have a manager or team leader and between four and seven employees. Managers tend to keep this number of

employees this low because they feel they cannot supervise any more than this number and still do both the management and technical work they feel is needed. When you quantify what these managers actually do, you find they spend little time on people management. Most of their time is spent on technical work.

By separating these two jobs and creating manager level technical positions, you will get the following benefits:

- Significantly broader spans of control for your people managers. Managers in this new environment can usually effectively lead three times as many people. This reduces the number of managers you need by two thirds. But you have to add back an equal number of technical experts (usually from the excess managers who never really wanted to manage people) so your overall savings is one third.
- Fewer units with broader responsibilities and more accountability. This creates a flatter organization with fewer layers of management. The result is an organization that is easier to manage at all levels.
- An overall improvement in technical expertise, an increase in the quality of technical training and better oversight and quality control -- by having dedicated experts with broader expertise in your technical and professional areas.
- An environment where it is easier for employees to become technically more proficient, independent and accountable for their results and career growth.

The key to having this work well is proper implementation. Based on our experience, we recommend you pay special attention to the following key areas:

Reporting Relationships. Some companies have the technical or professional expert within operational units where he or she will report to the manager. Others either establish separate areas for these experts or have them report alongside their managers. Some do a mixture of all three. Spending time and making the right decision in this area is important.

Decision-making. Before introducing dual career paths, it is important to establish clear agreements on the authority, responsibility and accountability for each position. It is also important to discuss and reach agreements on how these roles will work together and how disputes and disagreements will be resolved. When done correctly, decisions in this new environment will be better and much faster.

Performance Evaluations. Almost everyone, employees and management, criticize the way performance evaluations are done. Few consider this process meaningful in helping them. It is generally looked upon as a process that is most effective in documenting problems, in case a manager wants to terminate someone. Our experience shows that these problems diminish significantly when you introduce dual career paths. This is because two people, the manager and the technical expert, are involved in evaluating an employee. Both are expert and focused on their specific area of expertise. This usually means the evaluation, suggestions for improvement and subsequent plan of action is much more specific and effective. It is also faster to do.

Having dual career paths available also makes career planning and development easier and better. Because the process is more effective, employees become more involved and accountable.

This letter raises several ideas and questions that you may want to pursue. Our consultants are very experienced in these issues and would be happy to answer your questions and more fully explain how these ideas work in the practical world. Please call us if you would like to talk to any of them. Also, I encourage you to visit our website at McDonaldConsultingGroup.com for more on this and many other subjects.