Management Theory by Mark Ira Lefkowitz vs. 5.1

William Edwards Deming (1900-1993) is widely acknowledged as the leading management thinker in the field of quality. He was a statistician and business consultant whose theory helped hasten Japan's recovery after the Second World War and well beyond. To some people in business, he is regarded as the 8th wonder when it comes to quality and leadership.

His method and philosophy is essentially based on improving the procedures*. *If you want better results change the system. He hones in on cooperation and continual improvement; it avoids blame and redefines mistakes as opportunities for improvement. Moreover, he is brilliant in finding the problems within the operation such as waste, variation, and poor process methods.

Deming was preoccupied with why things do not behave as predicted. "All systems have differences and room for improvement" he argued that it is essential for managers to be able to distinguish causes of these variations from ideal output. ***He developed a theory to quickly recognize factors such as modifying procedures, the change of operator, and not speaking out to improve the system.*** (Relationships between workers, management, leaders, and owners must <u>**not**</u> have barriers and include continual training)

He fully understood that system problems are often recognized by the workers, but they are afraid to speak up or out. The problem according to Deming is that managers have the authority to change and better the system to avoid the problems and inefficiency, but they simply may not act. Deming estimated that management and the inept system was responsible for more than 85% of the causes of variations and waste.

We can all take a lesson from Deming and realize that the tasks, and day-to-day routines in our lives can always improve by revamping the system. This is especially true in our time management. Variations and interruptions always seem to slow down our optimum advancement. The results can be charted on your financial balance sheet. Moreover, consider that you have a personal life balance sheet where your goals are important and staying in motion with the right theory matters!

Operational Management

Operations Management Theory refers to the methods and process used in structuring business practices (manufacturing or services) **to create the highest level of efficiency in an organization**. **One of the core goals is to convert raw materials <u>and labor</u> into finished goods, deliver services, and advance the team objectives in the most effective way.**

Let us think of the assembly line of Ford back in its earliest days. Different people had very specific jobs, which required training and expertise to keep the assembly line moving. ***Collectively, their skills allowed for much higher output and the cycle time for each finished product decreased commensurately. Begin to think in terms of maximum output for a given system is based on the critical element called the "passage of time***." Wasted downtime dreadfully adds expense to the bottom line, hammers earning reports, negates optimal advancement opportunity, and reduces profit sharing.

Operations must continue to provide quality products at relatively predictable rates and minimal errors and mistakes. ***In addition, certain parts of the process might be best served by being outsourced to specialists instead of you trying to master and micromanage each cog in the wheel***.

Moreover, many operations must be kept in house for quality control and continual improvement in parts and production. Flow and constancy as well as managerial economics must be observed and charted. The metaphorical assembly line must provide for dialog between leaders, worker, and management to share ideas, add diversity, frontline experience and continually improve the ***OPERATIONS IN UNITY***!

When businesses need a jump-start return on investment, cost reduction, or levels of quality of service, they must redesign processes **and think out of the box**. This is especially magnified with modern generation fast thinking, artificial intelligence technology, robotics, and utilization of extreme leverage! ***You as a manager have the power to change the system, as well as its hardware, software, and myriad components. Moreover, you have a say in production capability and creative functionality. " SPEAK UP YOUR VOICE COUNTS!"***

Another operational program called Six Sigma along with Deming's theories identifies and removes the causes of defects and oops mistakes by minimizing variability. It uses strategic quality management tools such as statistical analysis and trains employees to become experts in these tools. Six Sigma and Deming methods follow a specific sequence of steps including process mapping, trending charts, calculations of potential errors, ratios, and statistics to accomplish defined goals.

Organizational Management

Organizational design is a master plan describing how the chain of command functions with processes, methods, and procedures. It reviews and catalogs the tasks and functions of all positions at every level of the company team structure. Then it organizes these items by setting a workflow for the efficiency of the company team.

Business success requires thoughtful strategy developed into a plan that is executed effectively. Organizational management is the process of leading a company team by utilizing the assets and resources at their highest and best use! Organizational management goes well beyond a typical individual or corporate structure. It requires leaders to develop or have methods in place to resolve daily issues. Moreover, they develop solutions that help the business move in the direction of its vision and team objectives.

Another objective of organizational management is to focus the various levels of company/team leadership and compound the effect of all their minds and skills using leverage. Leadership hierarchy should encourage collaboration of all team members. This will illuminate the power of diversity, which will build stronger teams because of better relationships, and the multitude of different ideas. A brilliant plan will involve employee training, create promotional opportunity, increase operations efficiency, and reduce per unit expense because of team building.

Your plan should place a priority on establishing solid organizational management that clearly pursues advancement at every level. Business leaders need to be clear on the goals of the team and implement flexible processes and procedures. Adjustments must be made based on structural and cyclical change because everything is so dynamic. Other changes might include influence from the global and local environmental situations, politics, laws, social proof, and most of all the time and timing factors.

It also means the company may miss opportunities and not see the fastest path or best innovation that leaves it exposed to many potholes along the path. Mismanagement leads to mistakes, missed opportunities and loss of valuable time leading to much higher costs. Decision-making requires re-assessing choices many times including backing up to go forward.

Proper effective management uses the assets in front of them and all around them leading the best way to LEVERAGED SYNERGY. Organizational structure is the relationship of power, teamwork, accountability and the ability to find collaborative solutions. Values drive the essence and personification of the business at every root level.

Behavioral Management

People in the workplace are constantly interacting with peers, managers, and customers with very different backgrounds and experiences. When harnessed effectively, these differences can be the catalyst for creative breakthroughs. The pathway to team and organizational super growth starts with how you and your team interact! When misunderstood, or reactionary, these differences can create bias, friction, and challenge employee's values, diminish individual performance, and deprecate relationships.

Behavioral management theory is often called the personal relations movement because it addresses the human dimension for any given endeavor. Behavioral theorists believed that a better understanding of human conduct at work, such as addressing motivation, problems, expectations, and group dynamics, could substantially improve productivity.

So, what is the right plan? It starts with a manager developing fantastic listening skills that demonstrate being genuinely INTERESTED in others, and their situations. Furthermore, a manager needs highly effective interpersonal communication and conflict-negotiation abilities. They learn how to adjust to the needs of the workers and other personal demonstrating rational analysis and critical thinking skills. They realize losing a worker is costly in terms of replacement and training.

Behavioral managers believe that most team members can be trained to perform several tasks, regardless of background, personality traits, perceived handicaps, (physical challenges excepted) and other self-inflicted worker doubts. ***Employees must begin think outside their own box and share their thoughts whereby they create benefit for the team! It requires an open line of communication that embraces the theory of <u>"together we are better."</u>***

Strategical Management

Every great plan usually has some sort of deeply thought-out considerations to help it arrive at a future predicted result. **<u>Each competitor simultaneously chooses their best plan, taking into account the consideration of its most adversarial challenges</u>**. The focus is how organizations can create and sustain an advantage against the inefficient current system, other competitors, and outdated methods. Moreover, one of the greatest enemies is the **<u>passage of time</u>** without considering the effects cyclical and structural change.

Besides the passage of time, there is another major factor called "timing". This is the "when" factor! There is an ideal situation/space to implement each plan. The ability to see good timing and when to pull the proverbial plan B trigger is strategical for sure! This substantially changes the current status quo or customary established habit of "keep working at it and eventually you might get there" Is that true or the wrong theory over and over without sustainable results?

Perhaps worse is to rely on the obsolescence of older routines based on inefficient dinosaur era thoughts and beliefs. To illustrate: Consider the differential of communication speeds via snail mail compared to email. ***<u>Today's best strategy: "You must use extreme leverage and get as many hands as possible into a collaborative effort to succeed!"</u>***

The creation of a competitive advantage through team commitment and investment in education, specialty training, equipment, and new processes is critical. ***Specifically, your analysis might demonstrate what is not being done causing a major impact on the bottom line (eg., wasted time, lost energy, and depleting resources)***

In the rapidly changing dynamics of our economic climate, consider how twenty-five years ago flourishing retail brick and mortar shops expanded wildly. Now chains like Sears and J.C, Penny are becoming extinct. ***The latest generations of purchasers are on demand with their acute time management. They leverage their fingers with their smart devises instead of their sticking entire***

body inside a car, inching along stuck in traffic, and waiting at a register for their turn. Better yet they leverage the people around them to get it done! Your current strategy might have to be updated to be congruent with today's methods and generation X, Y, Z, thinking habits.

Great strategic managers can see future moves including challenges that lie on the road ahead. Making alliances with team members in anticipation of change is a resourceful skill. Then you compound everyone's efforts. Better yet double that! The ability to bind together human assets seeking a better method is advantageous strategy. To be clear, being dynamic in a fast-changing world and implementing outside the box thinking is the new normal!

Crucial to this vision is the anticipation of the moves of the markets and your adversary too. New theory must be adapted and demonstrated so your team is in the "realm of the cool" for the continual structural changes. ***Excellent strategy managers provide frameworks to help in the formation of processes that build better systems. In short, they master leverage by updating plans constantly, and always keeping an eye out to mitigate time crunches with delegation.***

Risk Management

This is one of the most important aspects of management that will have a profound effect on results. ***Essentially with every change or movement in each structure there is upside, downside, or no change at all. The ability to assess the risks and rewards in a very systematic way is a critical skill that you must master***. This is nonlinear with each passing moment especially in the geo political climate where news travels at light year speeds. This changes opportunities, prices, and markets on the fly.

The prediction of results is based on decisions that are with or against the mathematical odds. This should be the first litmus test to determine if you should go for it. If a certain situation has 6 possibilities and 3 move, you forward and 3 backward then you have a 50% chance of success. (Likewise, 50% chance of failure)

Brilliant risk mangers make moves that are asymmetrical in their favor. What is asymmetry and why is that important? Take the above example. If there are 6 possibilities and 4 move, you forward and 2 move you back then there is a 67% chance of success and 33 % chance of failure.
That is asymmetrical in your favor by a 2 to 1 margin. That reduces risk and sets you up to win.

There are many other factors to consider besides the mathematical ratios. If you must take a risk or gamble before you take a chance you must consider the SIZE of the UPSIDE verses the SIZE of any LOSS potential. The DELTA ratio is the percentage change in either direction from the basis. This is asymmetrical too! In addition, factor in the remaining time left or anticipated as your time (a precious asset) ticks away. Opportunity might be knocking and lost or simply expire because you did NOT ACT.

Some of the ways to get around the multiple speed bumps on the journey ahead is to test on a small scale and have the assets in place in case of a mistake. ***Move in smaller units until you are comfortable and gain some traction. Then in the event of an error or catastrophic event you have a safe margin to fall back on. Don't move until you are well prepared to mitigate danger. See all the omnidirectional consequences before you act!***

Leadership Management

Taking leadership is multi-faceted and this may be the biggest take-a-way as you read this! You must be a leader of self-first. **<u>Close your eyes and say to yourself "I AM A LEADER"</u>** Repeat it at least a few or more times. This starts the process internally. You have confidence and are well aware of your power of choice. *More to the point, you have assessed the risks and rewards based on* *study and comprehension of the data.* This commences the process I call "AWESOME leadership management".

Sometimes information may be dirty data (corrupted, or inaccurate) and needs to be rejected on its face. This is another leadership skill. When to say NO. You as a great leader need to confirm what is fact, doable, and realistically possible for your team to succeed. (Or learn and benefit from a mistake)

Being open to listen carefully from the diversity of team members is a beneficial skillset. From that space you are ready to evaluate and then take charge by using your voice for change*. See the future including the challenges by being ready to dialog using your leadership skills* This is where your ability to create win-win situations shines like a diamond in the rough!

Leadership is the verb/adverb of being a great leader. This is where you can lead others from the front of the room with your voice, magnetism, and poise. Sometimes it may be more effective to lead quietly from the rear moving other people without words or orders. Gestures and stature work fine too! *Workers and partners see the value in your thinking and desire to be aligned with you*. This creates a win for them too. That may lead to fewer sick days, reduction in employee theft, and less production mistakes.

In short you are** interested in **those you plan to lead and collaborate with. I repeat from earlier, interested is a space where you genuinely care and ask questions with a goal to build a relationship bridge. People will follow your lead because they trust you, because they like you and your values. Most importantly, they realize that you care about the relationship. This is the essence of the levels of service you provide.

There are many styles of leadership and here are a few examples. You should be aware of which one to use in a given situation and when others are using these styles in an attempt to lead or move you.

An ***affiliate leadership*** style is relationship driven. This leader spends time developing trust among employees and is often in the trenches of a workday with his sleeves rolled up, along with his staff. The problem with this style is that the leader is less concerned with results and is more concerned with being liked and trusted. Positions requiring a lot of negotiations could benefit from this style of leadership.

The ***participative leadership*** style functions like a democracy; everyone has input into the process and goals. While this helps to engage the team in the overall goal, it could dilute a manager's authority. Not a problem because the team has a high self-concept and is cognizant to the theory of unity. They realize each member has their back; thus, it leads to collaborative focus and the strategy is extremely effective. Multiple brains are great use of compounding and leverage!

A ***pacesetting leadership*** style is the true lead-by-example model. This model works well in new departments or departments that have inexperienced workers who might not have the belief that certain goals are attainable. The pacesetter is always at the front of every report, as the person who has the great sales, large production numbers, or lucrative financial results. This also helps set the bar high for what is achievable. Others will follow!

A ***directive leadership*** style is the order-giver. This leader says what you should do and expects it to be done without question. It is authoritarian and is sharp. However, it has merit when needing to hold people accountable in areas such as total compliance or safety issues. Sometimes it might feel so pointed like you don't care about their feelings. Therefore, it must be used delicately. Nevertheless, it is extremely forceful and in certain situation like the military very effective.

The ***<u>visionary leadership</u>*** style has been emulated by organizational leaders seeking to create the magic that Steve Jobs created at Apple. A visionary leader inspires people from the highest levels of management to the lowest janitor, drawing them to work together for a common purpose. He/She aligns all team members from every facet to believe his vision. They demonstrate how the vision can take them to the promised land.

A ***<u>coaching leadership</u>*** style seeks to build up a team's skill level and confidence. Like a sports coach, this leader looks for team member's strengths and weaknesses, and works with them to set action plans to build on strengths and to improve weaknesses. *To be effective the coach must be very connected in his players and team well-being. Think of a radio, interested is tuning in to the other person, while being interested is constantly broadcasting with no time to care because you are too busy talking.*

Now that you have a basic understanding of some of the types of management and leadership styles it is important to realize that you ***are always managing your life and business***. ***Each day there are considerations of time, risk, behavioral, and organizational management. This leads to, how you run operations and make changes.*** However, it doesn't stop there because the multi-faceted elements of your life extend exponentially. (Kids, family, aging relatives, schoolwork, volunteer projects, sports, hobbies, music, the career, etc.) I hope this article and practicum you will be participating in helps you to manage the journey!

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