



TenStep Supplemental Paper

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Management Governance is Needed to Enforce Organizational Standards and Policies

We all know that people are the most important assets in an organization. However, people need a common organizational framework to work within. The framework is used to guide what people work on and how they do the work. It should consist of a commonly accepted set of processes, policies and standards.

In general, everything that happens in an organization occurs within this framework of processes, policies and standards. This framework tells you who you report to, and the framework tells you that you need to generally follow the direction of people who are higher in the organization than you.

Some organizations are more tightly controlled by the framework than others. You may work for an organization, for instance, where activities are controlled fairly rigorously. This does not just apply to your relationship with your manager, but to the general work environment for everyone in the organization.

There are also many organizations where employees have a lot of freedom to do their work within a more general and flexible environment. For example, imagine that you have come up with an idea for an improvement in a process or a product. In one organization, you may have to write down the idea and send it to your manager, who might send it to his or her manager, who might send it to his/her manager. Two months later, you may get feedback. This is obviously a work environment that is very structured and controlled. On the other hand, you may work in an environment where you take your idea to your manager and three co-workers for their feedback. If the idea is within your control to implement, perhaps you even try it out the next day and see how it works. That work environment has a lot more flexibility and freedom.

Regardless of the type of organization you work in, the effectiveness of these processes, standards and policies depend on the role of management and the effectiveness of the management governance process.

Governance

Governance is the term used to describe the formal and informal set of processes that allow organizations to resolve conflicts, make decisions and ensure management decisions and policies are enforced through the management hierarchy. Governance is a top-down management process and works as follows:

- If an organization implements a policy, the head of the organization needs to hold the managers in the organization accountable to make sure the policy is followed.
- Each manager then makes sure that his or her direct reports adhere to the policy. If they have managers that report to them, they need to hold those managers accountable as well, and so it goes down the management structure.



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- Governance also needs to include mechanisms to ensure that the policies are being followed and some rewards or consequences exist for following or not following the rules.

Governance is needed to enforce standards

All organizations have standards. Standards are a required way to do something. For instance, your organization may have one or two databases that must be used by the development staff. Your organization may also have a standard workstation configuration, a standard set of consulting vendors and a standard look and feel for all web applications.

If your organization has standards, you might wonder why everyone doesn't just follow them because they are standards. There are two reasons. First, everyone in the organization is not always aware of the standards. This is especially true when people are new.

The second reason is that people think their way of doing things is better than the standard. For instance, a developer may feel that a third database product is better for his or her system, even though the organization has two standard databases to pick from. Organizational standards typically reflect the best interest of the organization, even though the standard may not always be the best solution for any individual problem.

How well does your organization enforce standards?

Let's look more closely at the prior example. A particular development project team feels a third database solution is right for them, even though it does not meet the existing standards. How does your organization respond? If management does not know what is going on, or if they know but allow the third database to be used, then you probably have a weak governance process. That is, the closest levels of management are not enforcing the standard, and there are no consequences for going outside of standard – either to the project team or the managers involved.

On the other hand, say management is watching what is going on, and checks and balances are built into processes. For instance, the project manager does not have the authority to sign a vendor contract. This brings exposure to what is going on. The first level manager realizes that bringing in a third database is a problem. The manager also knows that if he or she does nothing, he/she in turn will be questioned by his/her manager and could potentially face some consequences. In this type of environment, the governance process appears to be stronger since there are effective checkpoints when management involvement is required, and there is a sense that managers will be held accountable if things don't work as they should.

(To be fair in the prior example, there should always be a process to gain an exception to a standard. However, in that case, the exception process should be followed rather than just ignoring the standard.)

Management governance is required in organizational change



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The effectiveness of your management governance is based on two competing factors. The first is how well your organization enforces current standards, policies and processes. The second, and perhaps more important, area is how well your organization implements change.

Organizations must change to remain relevant, implement strategies and achieve goals. Managers, especially middle managers, are the people who will make or break change initiatives. If senior management wants to move an organization in a certain way, but the middle managers ignore the directives, the initiative will not be successful. Governance means that executive managers ensure that the senior managers carry out their directives, and that senior managers are checking on middle managers, and that middle managers are checking on project managers. If a manager within the organization is not enforcing the organization's directives, then he or she needs to face consequences from his/her manager. This is all a part of the management governance process.

Managers should look in the mirror if the organization does not accept change

Take a look at your organization. If you generally have a tough time implementing change, it is typically not the employees' fault – it is management's fault, either because of a poor change implementation process or through ineffective governance. If the CIO is not able to implement a change initiative, the CIO has himself or herself to blame. Any manager that cannot successfully implement change within his or her own organization has him/herself to blame. Governance starts at the top of the organization and moves down. Ineffective management governance at the top dooms the chance for success on the way down.

Summary

All organizations function through a framework of processes, policies and standards. One of management's prime responsibilities is to ensure that the current framework is enforced. However, the framework also needs to be flexible to allow for ongoing change and improvement. Governance is required in both cases.

Look at your organization. If your standards are a joke and you have a hard time instituting organizational change, then you have a poor management governance process. On the other hand, if you have good processes, standards and policies that are generally followed, and you fight the good fight to successfully implement change on an ongoing basis, you probably have pretty good governance in place.

So, managers - look in the mirror. How does your organization stack up?