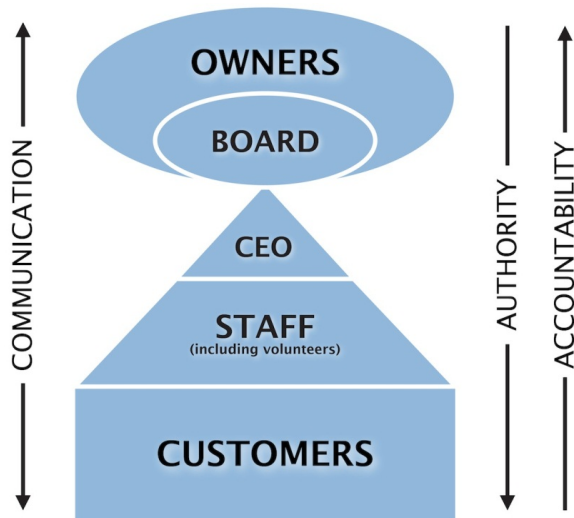


# The Secret Formula for Organizational Effectiveness™



## The Clear Lines of Communication, Authority and Accountability

Bypassing these lines will: erode trust and break down relationships, result in diminished confidence, and unclear direction or focus for the organization. While good relationships between all persons involved are encouraged, communication or authority that subverts the clearly defined structure will result in problems. When we know our roles and responsibilities and are held accountable for our actions, our organization will be more effective and achieve greater results.

### Communication

Organizational communication follows a single straight line. Owners speak to the board. The board speaks - with a unified "one voice" message - to the CEO. The CEO speaks to the staff. And the staff speaks to the customers. Similarly, communication follows the same straight line in the other direction: customers speak to staff, staff to CEO, CEO to board, and board to owners. Whenever the straight lines of communication are breached, chaos occurs. Effective two-way communication will build a strong team.

### What If?

- What if customers stop talking to staff and come straight to the CEO will all their concerns? Chaos abounds. The CEO becomes bogged down in details and is unable to fulfil his or her real role and responsibilities.
- What if board members bypass the CEO and communicate directly with staff? The CEO will feel out of the loop or usurped. The staff will be unsure who to listen to - the board members or the CEO?
- What if a CEO bypasses the staff and is consistently spending more time communicating directly with customers? Again, his or her time will be consumed in lower-payoff activities. Staff will become disillusioned asking themselves why they're even on the job if the CEO is doing all the customer contact. They're going to feel unappreciated, or even mistrusted. The good staff members will eventually leave and find a job that's more fulfilling.

## **Authority**

In effective organizations, authority follows a single straight line. The owners have authority over the board. The board has authority over the CEO. The CEO has authority over the staff. And the staff has authority over customers - at least in some ways, to manage the purchase or service process and to ensure that appropriate business transactions are handled professionally and courteously.

Since the authority comes from the top, direction will come from the board, through the senior staff person to the staff and customers. Staff will not accept orders from board members. Authority flows in one direction only, through the appropriate parties.

To put this into practice, allow those who have been delegated authority to address whatever concerns arise. Don't allow problems to move up the chain of command unless the previous level has been unable to address or resolve them.

## **Accountability**

Similarly accountability follows a single straight line. The customer is accountable to the staff, if only to pay for things before walking out of the store. Obviously, the staff are accountable to the CEO, the CEO to the board, and the board to the whole ownership.

What if the straight line of accountability is broken? People will be confused over who to listen to; a culture of covering your backside will develop; chaos and confusion will abound. By encouraging great performance from all levels of the organization, clear accountability enhances organizational results.