

## **Driving Performance in any Organizational Structure**

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### **Introduction**

John C. Maxwell famously observed that “everything rises and falls on leadership,” making the point that an individual’s level of success in any endeavor is limited by their ability to lead and influence others. A common obstacle for safety professionals moving from one company to another or enduring the changes that accompany an organizational restructuring is determining how to lead and influence within the framework of various different management structures. The expectations for safety professionals in a centralized department is vastly different from the expectations that they face in a decentralized position where resources are integrated into Operations, Engineering, Human Resources or any other subsection of the group. No matter how proficient the individual may be in identifying hazards, designing controls, interpersonal communication and all the other skills that are necessary in this profession, if they are unable to exert themselves from their position in the company their impact on the culture will be marginalized. Nearly everyone can relate to an example of someone who was highly effective in one position but became frustrated and ineffective at another. Many times the difference has to do with their ability to adapt to a different way of doing things. Professionals with a proven record of accomplishments may find themselves struggling in a new organization because somehow, they were just no longer the “right fit”.

There is a lot of truth in the age-old wisdom that states the only constant is change. Accordingly one of the most valuable attributes a professional should endeavor to develop is the ability to improvise, adapt and overcome obstacles inherent in each business structure. Moreover, the effective professional is inevitably the one who can not only understand the different business structures, but can appreciate how to leverage each of them to support the development of an enduring and pervasive safety culture for that organization. The first step in honing these skills lies in staying abreast of emerging business trends so as to best understand the popular organizational structures utilized in the private sector.

There is tremendous value in exploring the theories behind different organizational structures and understanding the strengths and weaknesses that each holds. This allows safety professionals to determine the most effective way to function within the organization to have the greatest influence on the culture that drives safety performance. The way each company builds safety positions into their organizational chart is a reflection on the way it applies priorities to the management of all its resources

and liabilities in every aspect of operations. There is no singular right or wrong way to accomplish this. Just like safety professionals assess the risks of an occupational exposure, the company assesses their geographical, financial, engineering and market driven realities and determines the most effective way to structure their controls. To be effective, you must understand why those decisions were made and how you can best work within those decisions to be a leader for the organization. Moreover, for Safety Professionals who have an influence on designing their structure within the organization, it is important to understand the elements that impact the decision process so that they may best allocate resources.

## **Mechanistic Organizations vs. the Organic Approach**

Mechanistic organizations are structured around basic principles of bureaucratic drivers. They depend on relationships that fall into a predictable hierarchy of authority with increasingly specialized spans of control as the organizational charts narrow towards the top. Chain-of-command is generally a driver of information flow. Interestingly, these models tend to become more and more reliant on structure, procedures and formal protocols as the organization grows. This is chiefly because the senior leaders have built such a bureaucracy between themselves and the workers at the bottom of the organization that the only option for them to exercise any control lies in the application of rules. Specialization is prized and multiple levels of management are employed to control the compartmentalized work force. Efficiencies are studied continuously in an attempt to eliminate waste, and perfect modes of operation. Line advancement is often driven by satisfaction of preordained criteria creating an environment where leaders “rise through the ranks” and therefore have a deep respect for positional authority and the voice of experience.

To the contrary, an Organic Organization values adaptability and flexibility far more than narrowly defined roles. As such, rigid structure gives way to relationships that are meant to foster a collaborative communication across the business. The fact that these business models have a tendency to downplay rules does not mean that they operate in a totally free flow environment. To the contrary, they rely on division of labor, but simply do not standardize how that division will perpetually function. This model generally relies on professionals who are experienced and technically proficient such that they can solve a wide range of problems and contribute in broader ways towards organizational projects. In essence, the flatter organization trusts that the professionals on staff have the requisite skills to effectively perform their tasks without being supplied with detailed protocols or standards with which they must comply. Instead, professional tenants and mutually accepted principles guide the individual’s decision making. For instance, accountants working in such a business model would still follow GAAP; doctors will still be bound by the Hippocratic Oath. In the end, Organic models tend to prefer a flatter structure because senior management may not possess the skills or ability to make the necessary decisions within a tight timetable so authority is ceded to professional team members who can.

## **Functional Structure; Division Structure and Matrix Structure**

A functional structure organizes its business in a departmentalized way. Common jobs are arranged together into specialties such that accounting, human resources, engineering, information technology and the like can benefit from working closely together. Such a model maximizes the benefits of work specialization and allows the organization to leverage economies of scale. Similarly it is easier to identify redundancies, control needless duplication of resources and to satisfy the employee’s need to

“speak the same language” with fellow workers. The obvious weakness is this model’s tendency to create functional “silos” or “chimneys” that can unnecessarily place the functional goals ahead of organizational goals. If senior leaders fail to adequately manage each functional group, it is possible for the business as a whole to miss targets because the work groups are not aligned to work harmoniously. Moreover, each function can fall in a competition of sorts with the other functions for capital, resources or space. The important element of implementing a functional structure lies in ensuring that visibility to common objectives remains a primary concern.

Divisional structures are organized around units which are responsible for a specific market or a product / service line. In this model, a central office or corporate headquarters provides oversight and general support functions, but the operational objectives of the entire division and all of its primary functions are the sole responsibility of the division itself. An example of a service / product divisional structure can be found in a highway contractor who may divide the business into a crushed stone division, a ready mix concrete division, a road building division and a road services division (guardrails, lights, etc.). Alternately, a giant widget manufacturer may have geographically diverse operations serving different markets. They may have a northeast division, southeast division and Midwest division who are all responsible for the operation of their own businesses while being ultimately accountable to the corporate parent. The weakness in this model lies in the autonomy that each gives to the divisions. In terms of marketing, quite often the divisions inadvertently position themselves to where a sister division becomes a competitor for the same business. Another issue often exists in the assignment of markets. This sometimes allows one division to struggle while another prospers. In such cases, capital deployment decisions can become difficult. The most clear drawback; however, is the duplication of efforts.

A Matrix structure seeks to capitalize on the benefits to specialization seen in the functional structure as well as the attention to results that is seen in the divisional structure. In this model, project leaders utilize workers from functional departments to achieve objectives. Therefore, teams are created from the vertical professionals collected into horizontal groups. In this model, workers have at least two separate supervisors, their functional department boss and their project boss. This model works best when it facilitates the coordination of the best talent from across the organization focused squarely on the same objective. Its clear weakness is the power struggles that often develop when the two bosses begin to pull against each other to apply the greatest resources to their individual objective. Since the Matrix model dispenses with the “chain-of-command” principle, it fosters an ambiguity of purpose. Employees must clearly understand the expectations of both supervisors and effectively ensure that these two individuals have been clear with each other. The benefits are clear and as such, a matrix model has the ability to achieve incredible goals (think NASA) but it is critical that everyone involved in the matrix maintains a highly organized and well communicated working schedule.

## **Centralization vs. Decentralization**

Most safety professionals will admit to working somewhere along the scale between a philosophy of a centralized safety staffing model or a decentralized one. Moreover, if you have been in the profession for any significant amount of time you have ridden the flow from one end of this scale to the other and back again. A fully centralized staffing model would have one professional ultimately in charge of all other safety people. They may be divided into specialties (such as Industrial Hygiene or training). They may be divided into geographical areas (such as production facilities or service

territories). There may be a combination of the two. There may even be a system of mid-level safety managers who oversee entry-level ones. However it is set-up, a fully centralized staffing model has safety people reporting to safety people all the way through the organization such that they are wholly omnipotent to operations. The reverse is true for a totally de-centralized model. In the pure form of this model, safety people are imbedded throughout the organization and report to operational leaders with no accountability to safety people at any level of the organization. Every company staffing multiple safety professionals has to make a decision as to where their structure should fall between these two philosophies. The driver in this decision lies in determining what level decisions should be made if the organization is to effectively control risk.

The fact of the matter is that very few (if any) companies have either completely centralized or decentralized the function. Instead, everyone lives somewhere on the scale between these two poles. More importantly, many groups adjust their philosophies on the matter so often that professionals feel that they are perpetually in the process of centralizing their safety cultures or ceding more and more authority to the outer edges of the organization. This is seen as a never-ending cycle that will always be a part of the job. The impact this has safety professionals is clear. As this wheel turns, the safety folks need to adapt to different bosses who have different jobs. They also have to endure restructuring that often places former safety co-workers in positions of authority or former supervisors in the new job as a co-worker. In just this one change, there are many things to get used to.

In simple terms, the important thing to recognize in this regard is that as the decisions become more centralized, control shifts towards the top of the organization and the customer for the safety person becomes the operational managers. Clearly, these leaders are responsible for the safety of the employees under their supervision and they may feel uneasy if the safety professionals work for the organization and as such are not under their direct control. Therefore, it is incumbent on the safety person in the centralized model to make the operational managers feel secure that their interests are being accounted for. Focus on the fact that operational managers are your customers and your success will hinge squarely on how they value your insight. You may not be their direct employee but must act as such an effective resource that the lack of defined control does not represent an issue to them.

Conversely, the more decentralized the model, the more senior management becomes the primary customer of the safety professional. As these leaders try to understand emerging issues, developing regulations and the risk profiles of the business they need to have confidence that standards are adhered to and the people imbedded in the operations have a square handle on the threats that exist to the company.

## **The Secret**

The strongest ally that safety people have is their adherence to professionalism. No matter how an organization chooses to align itself or its resources, safety people can excel as long as they hold themselves to a higher level of accountability and conduct themselves accordingly. At the end of the day, no organization can define your status if you do not let them and the decisions they make to address their risks are theirs to make as the liability sits squarely on their shoulders.

Our professionalism is founded on the belief that the things we do everyday have a direct and significant impact on the health and wellbeing of people. This demands that we take our professionalism seriously regardless of our job title or the positional authority that is given by the company's leadership.

As professionals, it is our duty to provide accurate counsel on matters that impact risk or arise from incidents. We must never turn our backs to a hazard or reckless behavior. We challenge ourselves to continually develop and refine our skills and knowledge. Most importantly, carrying yourself as a competent, caring and committed professional will demand the respect of your colleagues regardless of the political structure of the organization. What's more, it elevates you away from the political games that many use to try and impress their way to jobs with positional authority.

The fact of the matter is that ours is not a job, to have any satisfaction out of working in safety, you have to see it as a career. To have success, you have to see it as a profession. To be truly happy in it, you have to respect the tenants of the profession and commit yourself to it.

## **Conclusion**

There is no singular "best" way to manage organizational risk. Several different business models can all effectively make decisions on structure, specializations, staffing and the degree to which they centralize positional control. Responsibility can be put in the hands of specialists or generalists. Safety can report to operational leaders, HR functions, Engineering, Environmental or directly to the Company's President. Not surprisingly, you can find some degree of each of these ideas (and many more) as you survey businesses across various industries.

The important issue to understand; however, is that a safety professional's ability to succeed is only influenced by these decisions, not dictated by them.

The more you cherish and develop your professionalism, the less you will engage in the political games that doom many safety careers. Those who rely on positional authority and ignore their professional development often struggle through the inevitable changes that impact all businesses. They blame the organization for short sightedness and pine for a return to the way things "used to be". The secret, then for long-term success and fulfillment lies in respecting the value of your professionalism and seeking opportunities to grow and teach this valuable discipline.

## **Bibliography**

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