

## Dynamic leadership through environmental management

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Adapted from Jesper Løje Hejl, "Regler Skaber Ikke Dynamik" (Rules do not create dynamics) at [www.tbi.as](http://www.tbi.as).

You can turn your company into a dynamic organization using environmental management. Management doesn't mean a lot of rules just for the sake of rules. Together with your employees identify where there are problems and make rules to prevent them. Your employees know where they are. Just ask them. Establish rules only where the lack of rules can lead to error. Too many rules diminish flexibility and ruin the dynamics of a work place.

The Danish management consultant, Jesper Løje Hejl, has developed a method for building flexible and efficient management programs in small and medium sized companies. Such a management program can be certified for quality and environmental management systems, such as ISO9001, ISO 14001 and EMAS.

The most important step toward dynamic management is a commitment by top management to the new program. Without their support, any dynamic system is doomed to either calcify or fade away. But management alone cannot do the job. A dynamic management program must involve the employees who know the actual processes.

Jesper Hejl maintains that it is possible to gain certification within 3 to 6 months using this method. He facilitates at 12 seminar days where the employees and management together evaluate their situation and create the necessary management program. Instead of many shelves of policies and procedures, he has found that only 25-30 pages can be sufficient for a medium-sized company. The procedures regulate only the necessary processes, relying on employees' education and qualifications to fill in the rest.

While you can organize these seminars for your company yourself, it is often a good idea to have an external facilitator for each seminar. The facilitator should know the requirements of the certifying program, if that is one of the goals of your management system.

### Building the management program: a plan for 12 seminars

#### Seminar 1. A survey of areas to improve and manage

Gather as many employees as possible – from all levels of the organization – for the initial kick-off seminar. Make sure that the entire staff feels that it is represented at the seminar. Working in varying break-out groups throughout the day ensures that different needs and opinions become well-known among all participants.

The purpose of the first seminar is to establish the focus for the entire management program, culminating with agreement on the content and direction of the system. You establish a priority list of what needs better management and what needs to be improved, based on a number of criteria. Through discussion and debate throughout the day, in break-out sessions and together, you achieve a common result for the following topics.

#### Policy and Objectives

- What needs do we want to cover in our management program?
- What is our company policy on the environment and quality?
- Which of our stakeholders do we want to satisfy with the program? Consider the following stakeholders in the company and their interests.

Company stakeholders	Their needs and expectations
Owners, investors, stock market	• Good bottom line and quarterly reports
Management	• All parts work well together dynamically • Job security
Employees	• Good occupational health and safety conditions. • Interesting, motivating tasks. • A good paycheck, benefits and job security
Customers and clients	• Innovative products that work right every time to satisfy their needs

<b>Company stakeholders</b>	<b>Their needs and expectations</b>
Suppliers	• Support for developing better parts and raw materials that satisfy the company's needs
Government	• Compliance with rules and regulations • Taxes
Public, neighbors, the world	• Jobs, a clean environment, fair trade conditions for 3 <sup>rd</sup> world producers

**General survey of the company's environmental impact**

- Which business processes create the values that our stakeholders appreciate?

**Important parameters**

- How can we ensure that we are managing the things that are integral for our success?
- How does our company affect the environment? Which things are important to our stakeholders?
- Which criteria should we use to determine the most important things?

**Focus and follow-up**

- How can we establish a simple management system, combining strategy, action plans and the daily operations to advance our key values?

**Seminars 2-11. Developing an un-bureaucratic management system with few rules and many values**

Every business can be divided up into a series of business processes: procurement, sales, stock, development, etc. Establishing a management program involves analyzing your functions and then formulating the few rules that are necessary for each business process to meet your objectives. Most of the "rules" of your business should be known by everyone as a result of their education, knowledge and qualifications. The few necessary rules that need to be written in the management program describe

- Where does something need managing?
- Who does the managing?
- How it is managed?

**The 10 essential procedures**

For many companies, the following 10 procedures are sufficient.

<b>Important business procedures</b>	<b>Support procedures:</b>
1. Sales and contracts	1. Document control
2. Procurement	2. Education and training
3. Production	3. Measurement
4. Stock receiving and shipping	4. Strategy - monitoring, review and planning
5. Communication	5. Improvements

You can make the decisions needed to establish a dynamic, un-bureaucratic system at 10 seminars, one for each process. The participants of each seminar are the employees involved in the particular process as well as some of their stakeholders. Through debate and dialog, they work through the following areas to arrive at the necessary rules. The result of each seminar is the set of necessary rules that apply to that particular function.

The meetings – and the resulting rules – follow this outline:

**Step 1**

- Who performs this function?
  - What are their tasks and qualifications?

- Who are our “customers” (the next link in the chain of business procedures) and stakeholders.
  - What do our most important customers require and expect of us?
- Who are our most important suppliers (the previous link)
  - How can our suppliers cause errors, accidents and waste for us?
- What are our options for improvement?
  - What are the errors in our present practice, and how can we do things better?

### **Step 2**

- What do we do? Which rules and which qualifications do we need?
- What are the necessary rules to prevent error?
- What is the value of these rules? (How much can be saved by having them?)
- Why do we need these rules? (Why can't we manage without them?)
- How can we measure if the rules have the desired effect?

### **Step 3**

- Evaluate and refine the procedure.
- How are any necessary tools (for example, forms, charts and signs) to be designed or adapted, when and by whom?
- Plan the implementation of the procedure.

This method ensures that environmental considerations and quality become a natural part of the daily course of business. A very important aspect of building the system in this way is the seminars result not only in a documented system, but also in the knowledge and skill, attitudes and culture that arise among the participants in the process.

The goal of the seminars where procedures are developed is thus to create a common view of the present situation and to establish agreement on the few but necessary rules for reasonable behavior in both the major and the supporting functions in the company.

It is not necessary to manage every little step that is done within the company. This is where many err with too much bureaucracy. Jesper Hejl emphasizes this principle:

*The cause of 80% of the errors, defects, waste and environmental impact can be found in 20% of all activities. This is what needs managing!*

### **Operational level of the management system**

After the seminars, employees and management together can easily create the operational level of the management system, based on the procedures that they developed and agreed upon in the seminars. This level includes the support tools in the form of charts, signs, forms organizational changes, and the like that are necessary to implement the system. Often you will discover that education, training and information are more effective than bureaucracy, written rules and instructions, etc. Well-designed signs are often much more appropriate than written instructions. Rearranging the workplace may also be the solution to a problem that no rule could fix.

## **Seminar 12. Audit—reviewing the management system**

Use the final seminar day to review the management program you have created. This internal audit checks the effectiveness and efficiency of your program. A well carried out internal audit can be instrumental in sharpening employees and management interest in quality, environmental impact and occupational safety and health within the company.

The audit can help you find the non-conformances and inefficient operations in your program, so you can correct them before you ask the ISO auditors to certify your system. Organize the audit according to the following plan:

### **Planning**

Well thought out and structured planning is important for carrying out an effective audit. Make a schedule covering the points described below. Train all auditors for the job they are to do.

Inform the departments to be audited of when they will be audited and what is expected of them. Let them know that this is not an exam, but a review to see if the system is sufficiently effective. You cannot flunk an audit, but you may have to go back to rethink a procedure or provide more training for employees.

- Who?

It is useful to ask the internal auditors (employees) to audit other functions than their own. In this way, they look on procedures with fresh eyes and can find inconsistencies that the usual employees may have ignored or overseen. They can also learn from the experiences of other functions and bring back good ideas to their own function.

- When?

An audit should not just be performed as the 12th seminar. Establish a regular audit system so that the entire company gets checked regularly at least once a year.

- What?

The purpose of the audit is to check the management program. Check each of the rules against their actual implementation, and check the objectives of the rules to make sure that the rules are what is needed to gain these objectives.

### ***Carrying out the audit***

By interviewing management and employees and by checking documentation of the function, determine the level of:

- Knowledge

Do the managers and employees have the necessary knowledge of the system? Do they understand the rules and understand why the rules are necessary?

- Attitudes

Is the understanding of managers and employees for the rules demonstrated in their attitude toward carrying out the rules and performing their job tasks?

- Tools

Do they understand the tools provided them to carry out the procedure? Do they use them correctly?

- Qualifications

Do employees have the qualifications assumed and established in the management program, which allows the simple structure of the system? Are necessary training and education available to employees to ensure the correct level of qualification?

- Culture

Have environmental and quality awareness become a part of the culture of the company?

### ***Reporting***

Organize the audit report in these 3 categories:

- Essential problems

These are problems that must be fixed before the system can be certified.

- Small divergences

These are areas that need only small readjustments, and can often be fixed while the auditors are present. Nevertheless, employees must ensure that they do not reoccur.

- Areas of improvement and recommended solutions.

The auditors can point out areas that need improvement and recommend solutions to these areas. These may be long term items, that can be added to the company strategy, but not necessarily fulfilled before certification.

Present the audit report both written and orally at a meeting with management as well as at staff meetings, so that everyone is aware of how well the system works and where improvement is still needed.

### ***Conclusion***

A management program based on this model is tailored to fit your company, not some particular management scheme. That is the only way a system can be dynamic. It lives with you. Make sure that you ensure the dynamics of the system through regular audits and improvements. A management system that sits on a shelf has no use in the company, and can have no effect on the environment or quality impact—on satisfying the expectations of your stakeholders.