WHY MANAGEMENT SYSTEM FAILS

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ABSTRACT

Recurrently everyone keeps on coming across the various advertisements of dissimilar types of Management Systems; from Security Management System to Delivery Management System, from Sales Management to After Sales Management Systems, from IT Management to Logistic Management and so on. It has become a market & you can get any management system for anything you desire. The organizations, including contractors, who wish to improve their Quality; get fascinated & go for some management system excitedly with the high expectations to change their organizations & drive the improvements. Their excitement ends into disappointment as they only get tons of papers, formats, audits, trainings, etc.

INTRODUCTION

Let us refer here following Management Systems which are deployed widely and well known to all of us:
1) Quality Management System ISO 9001
2) Environment Management System ISO 14001
3) Occupational Health & Safety Management System OHSAS 18001
4) Integrated Management System (combination of various standards)

Let us brainstorm ourselves WHY MANAGEMENT SYSTEMS FAILS?

To understand the reason of failures, let me focus a light beam on your understanding of MANAGEMENT & SYSTEMS. All of us very well know this word ‘management’ & even your junior most employees are using it frequently. The word ‘management’ is very simple but do you really understand its meaning? Most of the time in life as well as in business, you feel that we KNOW something, still you are not comfortable with it. There is a vast difference between knowledge & skills that is implementing your knowledge to get desired results.
Management colleges may issue management degree or organization may offer management post; but the real test is there when the results are required to be delivered by crossing the hurdles of problems – expected & unexpected both!
If you don’t enjoy challenges, then you should not be into management. The owners appoint managers because there are challenges & they trust you that you will help him to overcome. The managers lose their effectiveness as a manager when they forget the basic theory of management & try to work out as they feel personally or traditionally or situationally under pressure.

Theoretically, the management is defined as ‘the organization and coordination of the activities of a business in order to achieve defined objectives’.
All the managers are well dedicated to the 1st part of this definition- that is organization & coordination; but they lack into the 2nd part of achieving business ‘objectives’. Hence if the managers have not defined their objectives, then they are working 24 X 7 to conform their failures.
Is it not like playing the football game without any goal post?

Clear, sharp & refined Vision with measurable objectives is the Key Success Factors for every managers in any organization. All the initiatives need to be aligned with this vision.

The management of 21st century needs the managers of these qualities:

- 24 X 7 – available all the time for his stakeholders as & when they wanted
- Target or Goal oriented to drive his team
- Works more with technology than people
- When working through people, he is active part of the team
- He is a scientist to discover new solutions; he is an artist to creatively present his solutions & he is a sportsman to learn from his failures.
- Multidisciplinary & multitasking to guide various professionals in his team
- Refers established procedures or policies before a decision
- Aided but not replaced by computers
- Friendly but professional
- High Emotional Quotient

Being in this field of management System for so many years & auditing so many functions, I have observed following root causes for the failures of Management Systems. When I refer to the failure, it does mean that non compliance to the set objectives. For some organization they may be really satisfied with the results of management system, but the hidden aspect here may be that such organizations may not be aware with the great advantages from the management systems.

**Areas of Improvements**

1) Most of the management systems are adopted against the client’s requirements or government requirements for some registrations or some specific projects as one of the pre-qualification purpose. Such adoption is not the strategic proactive decisions. Very few standards are adopted for organizations own proactive requirements towards the wholehearted improvements. An organization should understand their own gaps & plan the actions to fill those gaps to become market leader in their business segments. These actions should be self driven & not for the sake of complying the requirements of the external parties.
2) Knowledge about Management System is poor among most of the organizations. Only knowledgeable person in the organization may be Management Representative that also, if he is professionally recruited. There is no one qualified or trained employee to advise the organization on how to effectively deploy the management system. The management representative may not be strong enough to drive the training.

3) Frequently, the Management System is wrongly understood as just the ‘tons of documents’ & data collections. Preparing for Management System audit is understood as filling cupboards with the box files. Employees spend sleepless nights in preparing the documents for the audits. Many organizations have the separate files for the audit purpose. In reality, the auditor comes to confirm the compliance of the management system. He comes to assist you for the improvements & the auditors should not be misguided. The gaps are dangerous for you if you hide them.

4) There is not enough understanding about the data collection, analysis & improvements. Let us take an example – all the organizations want to achieve Zero Accidents. For this you need to collect the data of all types of incidents including sick leaves also. Analyze the data using statistics or other tools; understand the root cause for the repeat incidents. Take the actions & monitor the trends.

5) Management Systems are not linked into day to day operations; neither aligned with the Vision. As a result it’s left out & referred once in a year when external auditors arise.

6) Financial functions are not part of Management System. They follow some different systems. If you go to your account & finance department, you will find that they are not aware with management systems. They follow the country specific account system which is not linked to your management system. Account procedure not mentioned in the management system. The management system auditors don’t go to account to audit them. Account auditors are not related to the management system.

7) The measurement system for each functions or processes (objectives) as per Management System is not followed to review the effectiveness of those functions. As per management system, you need to have the measurable objectives at organization level, functional level, etc. They should help you to understand your existing level of performance. But in reality, company’s health is known by the profit & loss statements or balance sheet, which is not part of management system.

8) Well drafted manuals or procedures may be existing but they are not followed seriously. The reason may be they are written at ideal level and nota at practical level. Employees don't have buy in for it. The thumb rule of management system may be ‘write what you do & do what you write’. This is possible only when employees follow the set procedures which are practical.

9) Generally top management behavior is followed by all & hence if Top Management does not strongly exhibit the adherence to the management system then other employees also give secondary treatment to the management systems.

10) The certification Agencies visit once to the organization for an audit when they can't behave like consultant, and hence their audits not much value added event. The certification agencies are also pressurized with business targets than the improving their customers. The auditors are not highly experience in our business & their audit approach is traditional one to cover the standards requirements.

11) Remember the various meetings, conducted in your organizations. Are they not reactive types & only discuss the corrective actions? The meetings need to be planned against the risk assessments & preventive action plan should be the product of those meetings.
12) Training may exist but effectiveness of the same missing. The reason may be that the objectives for trainings are not set prior to the training plan. The training need to be accepted by both the trainers & trainees. Adequately balanced reward & penalty may help to improve the compliance to the training plan as well as to improve its effectiveness.

You may agree or disagree partly or fully with my root cause analysis, but I m sure that I have been successful to drive brainstorming. You will surely look at that certificate hanged on your wall to question meaningfully to yourself - are these management system bringing any value add for you?

Please appreciate the fact that highly qualified and experienced committee at international level (international organization for standardization) has drafted these standards with great efforts. Each and every word in it carries a meaning and usefulness for the organizations. Management system is a tool but it's effectiveness will depend on the hands in which it lie.

I also wish to appreciate many organizations (not naming to avoid the conflicts) which has gone beyond the compliance of these management systems with a structured plan and organization. Their top management always refer management systems manual before taking any decisions. The employees are well trained and new employees are inducted with management systems before they take their roles. Employees are motivated for following management system in a best way as well as they are penalized for not following the same. Instead of going for an individual management system they go for an Integrated management system where they have common manual and common procedures, addressing all the requirements together.

Is our organization like this organization? If not then let us drive an improvement to make it like this.

REFERENCES