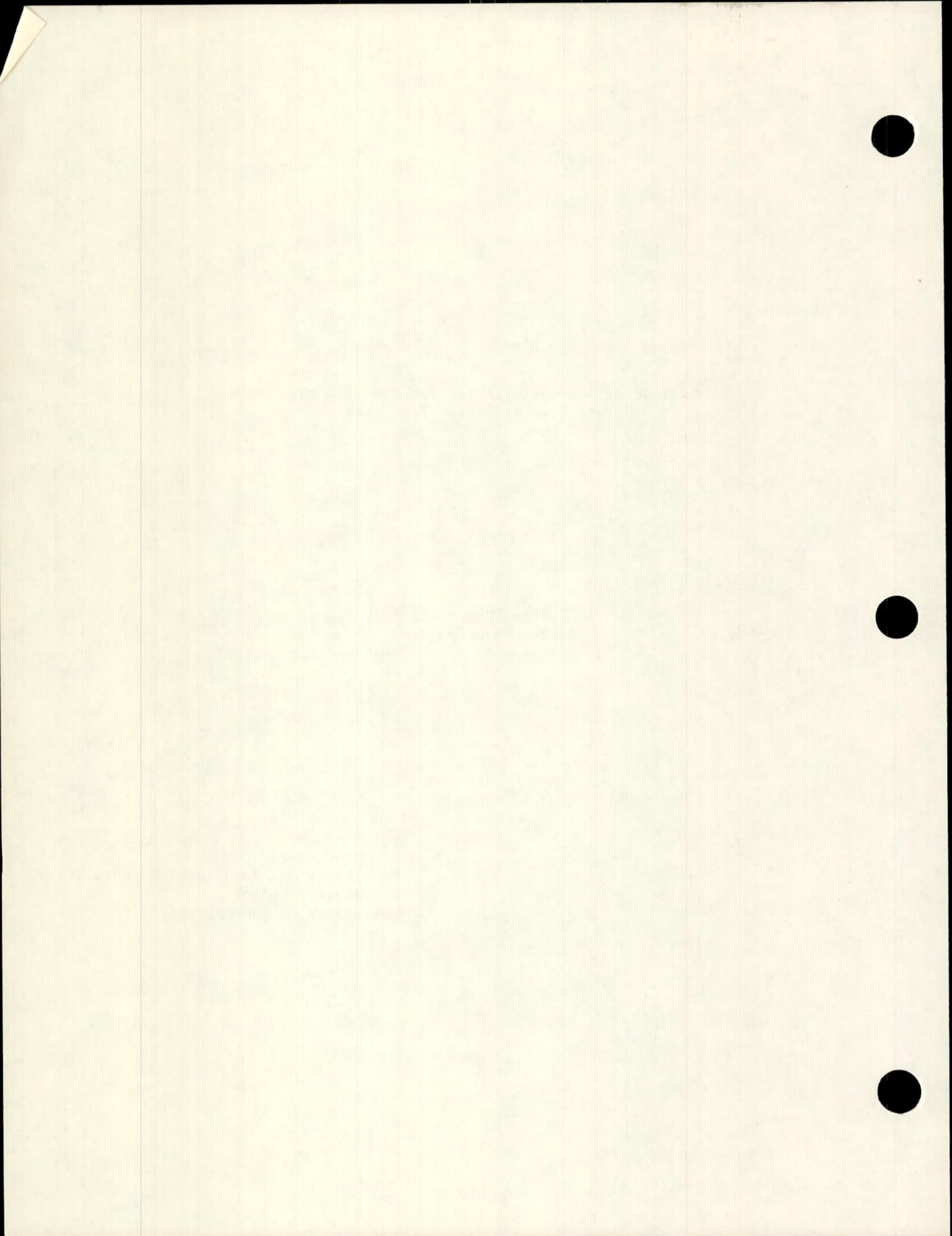


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Dividing Responsibilities for Managing the  
Retrenchment Process: Ten Cases

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FORWARD

The following paper was developed under a grant from the Office of Field Services of the Legal Services Corporation.

It represents the views of the author only and in no way should be construed as OFS policy. The aim is to help programs think through the many difficult issues presented by the current threats to Legal Services and to develop effective plans. The paper is based on many interviews and work with local programs as well as derived from the wider literature on retrenchment planning. Given the press of time, we have chosen to make them available in initial drafts. We would appreciate criticism and alternative formulations on these issues and if appropriate will include feedback in subsequent papers or revised drafts.

Please send any comments to

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## Introduction

This paper has several objectives--first it will summarize the process that ten legal services programs have gone through so far to develop policies for retrenchment and highlight the similarities and differences in these approaches. Many programs operate in relative isolation and it is hoped that the descriptions will give a sense of the variety of ways different programs are coping with major cutbacks and hence allow the reader to more objectively assess their program's planning process. The comparison of programs and the analysis of the benefits and risks of the different combinations of roles significant stakeholders--board members, staff, clients, community groups, and director--play should help you better organize your effort and hopefully avoid future problems.

The second objective will be to examine the different roles that key individuals and groups play in the policy making process. It is hoped that by clarifying which actors have responsibility for structuring the process, inputting ideas as well as making the final decisions, confusion can be reduced and everyone's participation can be maximized.

Finally we would like to see what generalizations can be made about the experiences in these ten programs that may be applied to any other legal services program.

Several key concepts need to be clarified before proceeding. The first relates to the basic steps in the retrenchment planning process. Policy making is a poorly defined function within most legal services programs. As a result, decisions are often made in an ad hoc fashion with too little thought given to who should be involved and how this could be done most effectively. The

results are often not as good as they should be, implementation becomes a problem and people are alienated by the process. An example might be where a certain program, say the housing unit, is losing outside funding. The director may know where other funds for a seniors' program are available and pursues those hoping to retain some of the housing unit's staff by transferring them to this new program. The staff only sees the lack of effort that seems to be going into saving the housing unit and resent the suggestion of transferring to an unknown setting of a unit for services to the aging. The director had their best interests in mind but because she didn't involve them early on they were not aware that, say:

1. no other housing money was available;
2. the money for services to the aging was the most stable in the long run and easiest to obtain.

Had the director involved the unit in a search for outside funds or other solutions to the problem they would probably have more realistic expectations and less resistance towards a unit on aging. Given the crucial impacts of the current cuts on programs, the failure to effectively manage this policy development process could mean the difference between a viable or a chaotic program next year.

In your analysis of the cases that follow it may prove useful to differentiate five main tasks or steps in the policy making process. These are:

1. establish the ground rules and timetable for the process;
2. establish the decision criteria for choosing between alternatives based on some sense of a final desired program outcome;
3. develop alternative courses of action and program configurations, evaluate each's impact and rank them;

4. choose one or a set of compatible alternatives, based on the established decision criteria;
5. implement and control your program redesign.

Oftentimes these steps are not taken in this logical order--decision criteria are only analyzed after a decision is made either to attack or defend the decision; no clear ground-rules or time frames are established for the process; different alternatives are only developed after previous ones are seen to be impractical. It is unrealistic to expect every policy decision to be made following this ideal sequence but care should be taken that each task is attended to and all stakeholders involved appropriately.

Another way to conceptualize these tasks is that there are a variety of levels of decisions that occur each of which implies a different amount of control over the final outcomes of the process. Thought should be given to who should be involved in each of these different decisions for both practical and political reasons.

--First there are decisions to be made about how the policy making process will be structured. That is, who will be involved and in what ways? Practically it is often unwieldy to involve everyone, politically it may, or may not, be desirable.

--Next, decision criteria need to be settled on--on what basis will different program configurations be evaluated? Practically and politically it is often difficult, though not impossible, to agree on why certain actions should be taken.

--Finally, there are the actual choices made between alternatives, based on the established decision criteria.

Because there is often a lack of clarity about this hierarchy of decisions, and because action is taken based on each of these decisions whether they have been explicitly made or not, directors can abdicate their responsibility to

structure and manage this process and create unnecessary confusion.\* This is not to say that a director should control the entire process, unilaterally lay out the decision criteria and decide on alternatives; there is a wide range of roles that management, staff and board members can play that could impact on each of these decision levels. The important point is that different stakeholders' roles on each of these decisions should be clearly specified and agreed upon, preferably before the process begins. One of the impacts of this confusion over roles has been the inappropriate delegation of decision making power to program directors by staff. We have observed this in both unionized and non-unionized programs. Because it seemed inappropriate to challenge the director's prerogatives in, say, structuring the process and/or making final decisions (or recommendations to the board), staff have opted out of the probably more important tasks of developing a consensus over decision criteria or examining a wide variety of program structure and service delivery options. To illustrate the various roles that can be taken in the retrenchment planning process, we will look at the patterns in ten different programs.

#### Ten Cases

These case histories were gathered through phone interviews with the program directors.\*\* As such, they may not represent a complete or totally accurate

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\*For a more indepth discussion of how the management of this process can either dampen or heighten staff's anxiety see "The Management of Rumor in Retrenchment Settings," in this series.

\*\*These cases are presented anonymously to conceal the identity of those directors who agreed to share their concerns and to better enable the reader to compare the structure of relationships across cases which might be obscured if personalities were focussed upon.

picture of the dynamics of that program's retrenchment policy making process. For purposes of comparison though, they do illustrate quite a range of approaches to the process. After comparing the different strategies employed, blindspots and inadequacies in the different policy making methods can be seen.

Program A:

In this statewide program with a strong program director (PD), the process involved all of the staff on task forces researching and developing recommendations in a wide variety of areas from alternative staffing configurations to methods for coping with dilatory tactics of opposing counsel. These recommendations will be taken into consideration by the PD when she makes final decisions. The PD controls the parameters of the process in that she initiated the activities with a two day staff retreat and dictated the roles that staff and, by default, the board will play. The board is somewhat passive in this regard, respects the PD's ability and seems willing, so far, to rubber stamp her decisions. There is no racial tension in the program.

Program B:

In this statewide program the PD plays a facilitative role, mediating staff input of the board who makes the final decision. This mediation process has the following steps. The administration (PD, deputy PD, administrator) generates a plan for cutbacks based on their analysis of the situation. Decision rules for layoffs are outlined and potential impacts are discussed. Presently this plan does not present the total range of options originally considered, but the one which the administration favors. This is circulated to the staff for their written comment over a two week period. Their feedback is considered by the administration which revamps the plan if necessary and then submits it to the management team (PD, deputy, administrator, managing attorneys from each of the offices around the state). They revamp the plan again based upon the team's criticisms and suggestions and the final document is presented to the board for approval. The board either approves the plan as it stands or changes it based on their or staff suggestions.

During this process, staff are free at any time to submit and justify to the board their alternative recommendations. Board members are usually loyal to their geographic constituents and will be sensitive to moves to cut services only in their area or to pull back to the urban centers. Because of this, and racial tensions in the program, the PD has to take a more "executive" stance, having the administration (with its minority deputy) make moves as a unit. Because of the interactive plan development and staff feedback process, the final proposal to the board is seen as a recommendation from both the PD and the staff.

The administration implements the approved plan.

Program C:

This medium sized program covers half a state with a major urban area. It has a relatively strong PD who has set up a committee with representatives appointed from every office. The PD does not chair this committee but plays a strong role. Their task is to work through the implications of a 25%, 40% and 50% cut and recommend actions at each level. The PD can produce a different plan. The board decides, but at this point seems passive and will follow the PD's lead. The PD's comment was, "They are an excellent board, they do what I tell them."

This representative committee surveyed the staff about various issues. They actually rejected a plurality vote that cuts should be made on the basis of seniority. The PD has already announced that all staff are entitled to a three month period in which they have quite a bit of freedom to search for other jobs, etc.

Program D:

This is a large statewide program with a strong, authoritarian PD. He is using an existing representative management group to make recommendations to him on the cuts that are needed. The final decision authority is his. The PD has already decided that layoffs will be made based upon seniority, his opinion on performance and office needs. The role of the board, which defers to the PD, is unclear.

Program E:

This is a statewide program with a large urban center. The PD has played a role in raising the issue of cut-backs. He instituted a hiring freeze in late '80. He convened a "We're in This Together" staff committee with all functional groups represented. They are to develop procedures and criteria for making cuts.

The board is being kept briefed and will be fully involved in final policy level decisions on how the cuts will be made. But partially because of tension between urban (well cushioned with alternate funding) and rural areas, the board's role is minimized until some recommendations can be developed.

Program F:

This small unionized program recently had several separately funded (VISTA) legal clerk positions cut. There was quite a bit of conflict within the program over those staff members and their jeopardized jobs. The board acted

to smooth over the conflict and decided to retain the people in the slots.

The new PD was brought in and charged with raising money from non-LSC sources which he has been able to do. He consequently has credibility with the board and program. But because of this recent conflict, he is moving very quietly to position himself for the inevitable cuts to come. He is letting attrition reduce the staff load. He has set up a committee to discuss the issue, and will involve the board as the process dictates.

#### Program G:

The authoritarian PD in this young, rural program has taken the strategy of denying that a real crisis is imminent and is claiming that he'll be able to handle everything. The program is unionized. He is making no public statements about cuts but rather talks privately to those who have to leave. This strategy of "cooling out" staff is having only limited success as only the support staff believe his claims.

There is a sense that the issues will create conflicts amongst board members so he is also keeping this quiet. He feels he can manipulate the board when the time comes.

#### Program H:

This is a small rural program that expanded slightly in '77-'78. The new PD inherited a deficit when she came in a year ago. The board charged her with eliminating this by reorganizing the program. They delegated all responsibility to her having just burned out over a tough union contract negotiation.

The PD engaged the staff in the process of deciding how much of a cut was needed through a series of meetings. When decisions needed to be made over where these cuts would come, staff were told the PD would decide between choices they developed. Three office configurations were prioritized in a conflicted meeting. Votes were taken but arguments arose over whether proxies were allowed. It was decided that they were and staff voted in office blocks. The PD finally chose the least liked option, as was her prerogative, but staff felt betrayed.

This option was presented to the board and accepted. Two months later it was found that because no budget projections had been made, even this three-office configuration would create a \$100K deficit by year's end and further cuts were required. After a brief confrontation with the union in which their projections were shown to be flawed, it was agreed that consolidation to one office was necessary.

Although that consolidation has not yet occurred because of the board's reluctance to purchase a suitable building, the PD has started a quite extensive democratic community consultation process to develop goals and program priorities to inform the upcoming cutback decisions. First a number of community meetings are held to present the problem. Next county-wide meetings are held to elect a representative to a regional meeting. This regional meeting will include board members and other agency representatives and will try to assess the future situation and determine where cuts should

be made. It is assumed that the board and PD will act in accordance with this body's recommendations. After one poorly attended meeting the director is concerned that the process is too unwieldy.

Program I:

This is a large rural program run by a well respected PD. The stage was set for what will probably be a smooth cutback by the PD raising salaries substantially last year. The raise guidelines were developed by a representative staff committee which chose to close a small office and allocate raises to all staff. This had been done to smooth the inevitable leveling of funding that he predicted would follow the expansion period.

Because of this and good leadership in general, the PD has the staff's respect. He has shared what he knows about the impending cuts and has not discouraged staff from leaving. He doesn't have absolute guidelines for layoffs but the decision on criteria seems to be his. He plans to develop a ranked list of "where people stand" vis à vis future layoffs so those in jeopardy can begin searching for other work.

The board is supportive of him and although they don't "rubber stamp" his decisions, he feels they will back him up here.

Program J:

This old statewide program has a respected PD of long tenure. It has a strong, but not hostile board that sets policy based on recommendations developed by the PD. There is a managing attorney's committee which has been addressing survival issues and managing an extensive letter writing and PR campaign. There is no client's council.

The program has recently been coping with Title XX cuts. The PD has chosen to actively engage in the hearing and allocation process fighting the cuts because it may become the model for future block grant allocations. He feels it is important to have a presence that will be recognized.

This effort has mobilized attorneys and board members in letter writing to judges, the governor and state and federal legislative representatives. Even senior citizens' groups have been involved.

This is just one example of the quality of leadership and credibility that will enable this PD to engage staff, through the two committees, and the board in a balanced cutback process. He and the staff committees will look at various income projections and develop recommendations. The PD has strong ideas about cutting outlying offices and consolidating in the state's capital; further the attorney/paralegal ratio will change with cutbacks. He will factor these into the recommendations he makes to the board, based on the staff's input.

The following table summarizes the key characteristics of each case for easier comparison. The five categories of information summarized capture the essential relationships between program director, staff and board. Other

critical factors are summarized under strong internal or external forces that shape the issue. Some of the possible variations of factors include the following:

--Program Director's Leadership Style

- charismatic
- administrative (goes by the book)
- autocratic/democratic
- proactive/reactive
- strong/weak

--Program Director/Staff Relations

- cooperative/hostile
- director consults staff/listens to staff advice/ignores staff advice
- staff committee structure or not
- relationship defined as traditional union/management

--Board Characteristics

- strong/weak
- supportive or hostile to director
- active/passive
- geographic loyalty

--Board/Program Director Relations

- good/bad
- "in PD's pocket"; a rubber stamp/independent

--Internal or External Forces

- program size
- program age
- urban/rural split
- racial tension
- unionized
- expansion history
- carryover fund balance
- amount and nature of local support and client involvement.

SUMMARY TABLE

PROGRAM	Program Director's Leadership Style	Program Director/ Staff Relations	Board Characteristics	Board/ Director Relations	Strong internal or external Forces that shape issues
Program A	charismatic, proactive, disclosing information, individualized concern	PD delegated problem analysis and option development, PD makes final decision. Many discuss, one decides	weak, passive board	Board "in PD's pocket" PD represents self in recommendation to Board	no racial tension, non-union state-wide program, but relatively small state. Long PD tenure.
Program B	"administrative" stance; part of administrative team; depends on due process, careful of signals sent to staff	OK, some racial tension	active, strong, geographic loyalty	Board responds to PD's recommendations. PD represents staff input to Board	statewide program, recent expansion surplus funds, racial tension, relatively new PD
Program C	outgoing, proactive, announced a 3 month grace period for all staff	PD respected Representative committee set up to recommend to Board. PD can submit a counter proposal	supportive of PD, has dealt with difficult political issues in past	"They're an excellent Board, they do what I want." Willing to take heat for PD. PD represents self in recommendations to Board	urban/rural split

SUMMARY TABLE (continued)

PROGRAM	Program Director's Leadership Style	Program Director/ Staff Relations	Board Characteristics	Board/ Director Relations	Strong internal or external Forces that shape issues
Program D	aggressive, authoritarian	staff defers to PD. Using an existing representative committee	passive	good, respect for PD	history of chaotic leadership, statewide, rural program, one person offices, high turnover, low salaries
Program E	responsibly, proactive involving staff, declared hiring freeze	good, "We're in this together" committee."	active, urban/rural split	good, PD is keeping board informed but not active to defer conflict	old program, urban/rural split, urban center well supported locally, trying to build a surplus
Program F	recently established credibility, keeping cards close, allowing attritition	somewhat defined by union/mgmt relationship; has staff committee to discuss problems	history of being over-active in program "operations"	giving PD latitude	new PD arrived and eliminated deficit hence has credibility, history of over-involvement of PD in management decisions, union, possibly racial tensions
Program G	authoritarian, denies crisis	"cools out" staff, no public disclosure, counsels staff individually with layoffs	sleeping dog, possibly hostile	PD feels he can manipulate, is keeping them quiet	recent expansion, history of living beyond budget with one time money, high turnover, rural, hostile state, unionized
Program H	new, proactive, "democratic", involves staff	tense but with mutual respect as a result of recent cutback crisis	firm, supportive of PD	good, Board delegated recent cutback decisions to PD; PD represents herself in recommendations to the Board	new PD, recent expansion followed by severe cutbacks; initially hostile union, now supportive; strong community involvement in priority setting
Program I	competent, concerned about staff, on top of problems	good, PD will make layoff criteria decision	large, supportive of PD	PD feels they will back him. Represents himself in recommendations to the Board	recent cut of an office to create surplus for across the board raises, recent expansion, rural setting
Program J	low key, competent, good track record	joint respect, one standing and one ad hoc (survival) committees	strong but supportive	good, PD develops policy for board to decide on	long tenure of PD, small statewide program, 50% non-LSC funding, momentum from recent survival letter writing campaign

Differentiating Roles in the Planning Process

It can be seen from the cases that some directors chose to involve staff and board members in most of the first four tasks of the policy making process outlined earlier. One chose to exclude staff from the whole process. Other configurations occurred between these extremes. A commonly held fallacy in decision making, especially so called "democratic" decision making, is that everyone participates in the same way on all decisions. The range of relationships exhibited in the cases shows this isn't the reality. As we said earlier, this may not be politically desirable but also is usually not practical; particularly with the complex set of decisions that will have to be made in programs in the next several months.

Responsibility Charting acknowledges this fact and allows a group to clearly divide roles on tasks for a more appropriate or efficient use of people's time and expertise. The actors or stakeholders in a decision are listed above the columns in a matrix and the different decisions are listed down the left side. Then the following roles are assigned or negotiated for each actor on each decision and entered into the cells of the matrix, as in the example below.\*

Decisions \ Actors	Board	Program Director	Deputy Director	Adminis- trator	Managing Attorneys	Special Committee	Staff	Union	Community Group/ Clients' Council
Change Emphasis in Program Priorities	A	R	I	I	I	R	I	I	C

\* For a more complete explanation of Responsibility Charting, see Attachment I, which is included to enable you to use the technique when planning your program's transition.

A = Approves; this person or group has final authority over the decision and accepts the blame for a "wrong" decision.

pro forma A = a pro forma approval or "rubber stamp" of another's decision.

R = Responsible; this is the person or group who "carries the ball," gets input from the appropriate people and presents a recommendation for approval (A). This person is to blame if nothing gets done.

C = Consult; this person or group is consulted before a decision is made although the consultation does not necessarily imply their advice will be followed. Their role is to give their best thinking to the effort.

N = Negotiates; this person or group negotiates with either those with responsibility (R) or approval power (A) depending upon the circumstances. If there are several N's and one approver (A) then the A acts as the final arbiter or tie breaker.

I = Inform; this person or group is informed after a decision is made but before the information is publicly announced.

X = Not applicable.

Blank = No role in this decision.

Responsibility Chart of Planning Roles

PROGRAM and DECISION HIERARCHY	ACTORS								
	BOARD	PD	DEPUTY	ADMIN	MNG ATTNYS	SPEC- IAL CMTTEE	STAFF	UNION	CMTY GRPS
PROGRAM A									
Set Ground Rules	I	A/F	I	I	I	I	I	X	
Establish Decision Criteria	I	A	C	C	C	R	C	X	
Develop and Rank Alternatives	I	C	C	C	C	R	C	X	
Choose Alternatives	pro- forma A	A/R	I	I	I	I	I	X	
PROBLEMS/ISSUES	Greatly depends on PD's charisma, Board could "revolt" at a later date counteract the process								
PROGRAM B		Executive Cmttee			Mgmt Cmttee				
Set Ground Rules	C/I	A/R			I	X	I	X	
Establish Decision Criteria	C/I	A/R			C	X	C	X	
Develop and Rank Alternatives	I	R			C	X	C	X	
Choose Alternatives	A	R			C	X	C	X	
PROBLEMS/ISSUES	Time consuming; reinforces existing staff/office structure and politics								
PROGRAM G									
Set Ground Rules		A/R	?	?	I	X	I	?	
Establish Decision Criteria		A/R	?	?	I	X	I	?	
Develop and Rank Alternatives		A/R	?	?	I	X	I	?	
Choose Alternatives	I	A/R	?	?	I	X	I	?	
PROBLEMS/ISSUES	By controlling the process the PD loses group spirit possible to fight for changes and runs risk of taking all blame for failure								
PROGRAM									
Set Ground Rules									
Establish Decision Criteria									
Develop and Rank Alternatives									
Choose Alternatives									
PROBLEMS/ISSUES									

These charts graphically show the difference between two responsible efforts to involve people appropriately in the various decisions--programs A and B--and a less responsible one in program G. Nuances in the process are also more visible. Director A has substantial control over the whole process but has still delegated meaningful participation to staff committees to develop decision criteria and alternatives. This involvement has had quite a positive impact on staff morale and commitment.\* On the down side though the board has been virtually ignored and could later cause problems as a result.

Program B achieved similar results while working with the constraints of a weak director, a state with geographic loyalties and a history of racial tension. By using a process of presenting a plan and soliciting feedback in iterative cycles staff are meaningfully involved and the executive committee of the board is kept abreast of the plan's evolution.

Program G's director is running the risk of a staff and board revolt, which is probably justified.

The final matrix is left blank so that you can chart out roles in your retrenchment process.

#### Other Observations from the Cases

Looking across the cases similar themes with different twists can be seen. Several programs--A, C, E, and J--have clearly competent directors, but very different outcomes may be predicted based on the appropriateness of their strategy in their context. Directors A and J have statewide programs in

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\*For a more indepth discussion of the use of committees see "The Effective Use of Committees and Task Forces in Retrenchment Planning," available from OFS.

relatively supportive states but A runs the risk of having her board not supporting her when the going gets tough because they have had little involvement in the planning whereas J has kept up the momentum of the survival effort and has much more of a give and take relationship with his board. One senses also that programs C and E are similar--urban/rural tensions, a proactive director--but that E is managing his board better. He is keeping them informed and not expecting them to "do what I want" when they have to face the toughest decisions in their history.

The directors in programs D and G have an authoritarian style, but in program D, with its history of chaotic leadership and high turnover, this may be appropriate whereas in G it is already creating suspicion. Further, D's board is passive where G's is potentially hostile and D is involving a staff committee where G is attempting to "cool out" staff. So again, the appropriateness of the director's style depends on a number of contextual factors.

Programs B and H have extensive participative processes but with some differences. Director B started the process by circulating the administration's proposed plan for feedback. Director H has a much more open-ended and perhaps "democratic" process that is less clearly directed and probably too complex to be appropriate given the short time frame. A factor that may help structure the process, though, is the existing union/management relationship.

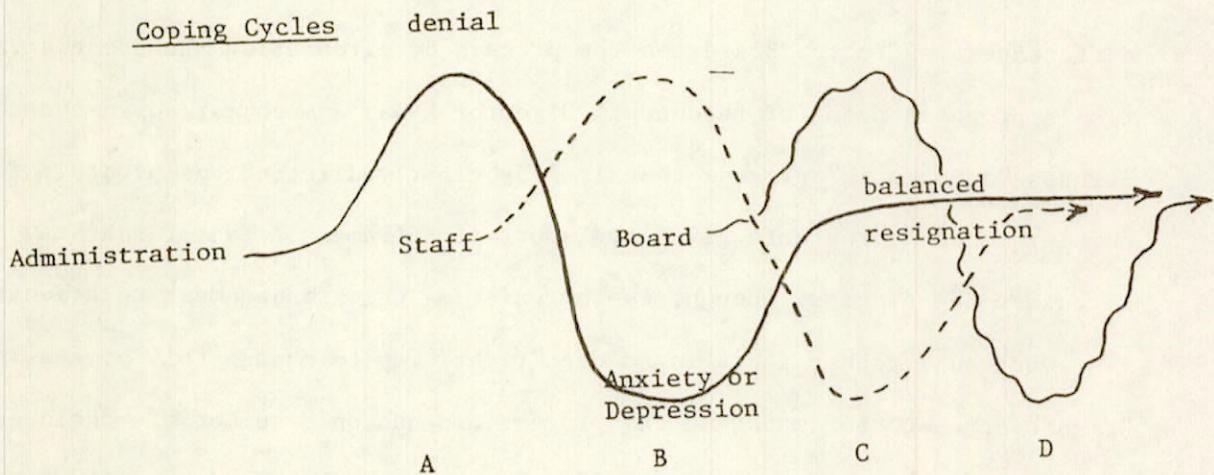
One can see that there is no one "right" way to manage this process. The "right" strategy for managing the process depends on a number of contingent factors like those listed on page 9. In some instances a democratic, participative approach may differ considerably from one that the pragmatic facts of the case dictate. It is a difficult to accept fact, borne out in part by these cases but also from retrenchment experiences in both the public and private sectors, that a hardnosed, incisive approach by a leader may be best for a

program in the long run even if the short term costs seem high.\*

Some other observations can be made about these cases that have the quality of maxims to follow.

1. Be sensitive to peoples' different ways of coping with the reality of impending cutbacks. Although it is not completely clear what changes people go through while trying to cope with cutbacks, there does seem to be a cycle. First there is a denial that anything is going to happen; people feel that something miraculous will save the day. (One writer refers to this as the "tooth fairy syndrome".) Next there is high anxiety or depression. Finally there is a more balanced realization that life must go on and something needs to be salvaged from the situation.

Problems arise though when different groups react to the crisis, and hence cycle through these reactions of denial, anxiety, depression and resignation, at different times. As the diagram below illustrates different groups may be at quite different places in relation to the crisis.



\* For another case study exhibiting this fact, see "The Human Side of Scarcity: A Case Study," available from OFS.

Because of the natural division of labor between administration and staff, directors and administrators have become aware of the cutback crisis before staff and, usually, staff have become concerned before the board has. Several problems arise then:

1. Staff are less able to engage in a meaningful planning process early on. In the diagram, when the administration is at point C ready to attack the problems, staff are either deeply depressed or experiencing crisis anxiety. Some group event like Program A's staff retreat or plan from the administration like Program B or convening of staff committees like Programs C, D, E, F, H and J could act as a consciousness raising mechanism to alert all to the crisis and mobilize their energy.
2. The administration is out of touch with the staff's feelings. At point B they may be accused of being the harbinger of doom while at point C they may be seen as callous. Several directors mentioned these dynamics and a few have tried to reflect on this situation with staff. One should realize though that few can both manage the complexity of the cutbacks and RIF process and effectively counsel each employee. Resources should be set aside for outplacement counselling and similar training.\*
3. The board of directors, the final authority in the program, is apt to overreact if abruptly confronted with the crisis--the "loose cannon on the deck" syndrome. There is a real danger of this in Program G.

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See "Constructive Outplacement Strategies: Moderating the Trauma of Layoff," available from OFS.

2. Program directors with long tenure or relatively new ones who have established their credibility in a recent crisis have more latitude and can assume more control over the process without evoking a paranoid reaction from staff or board. Programs A, F and J exhibit this.

If this is not the case, PDs should help define an explicit process and roles and adhere to the agreement. This is the PDs' strategy in Programs B and H. Your credibility is enhanced by your ability to manage a difficult process as opposed to proclaiming a unique solution based on your "years of experience" in the program.

3. Clearly defined roles and decision making procedures will remove much of the ambiguity and stress involved in difficult decisions like cutbacks. This seems to be the case with Programs A, B, C and J.

4. Early disclosure about the overall crisis and upfront design of the decision making process bring a structure and sense of reality to the planning process that inhibits the group's denial of the crisis and flight from task. The result will be an easier time in delineating what actions have to be taken and when; there will be less tendency to panic and telescope the process. Consequently, planned actions can be delayed until the latest possible time when as much external uncertainty has been resolved or tied to specific trigger events.

5. By differentiating and carefully managing the different steps in the policy making process, as in Programs A, B and J, more creativity can be fostered. For example, in a unionized setting, everybody could be involved, as individuals, in both discussing the range of alternative program designs possible for example--in special ad hoc task forces--and at least commenting on the criteria for final decisions--through a questionnaire, for example. The traditional union/management negotiating process could be used to develop the

final decision criteria--like lay-off guidelines--and program configuration. Both sides would benefit from a wider, more creative range of alternatives and a clearer sense of what program staff think about the various issues.

6. Be sensitive to whether your actions as a director are consistent with your past behavior and with the climate of the program. Nothing will arouse suspicion quicker than an abrupt change in approach from a director or an activity which clashes with cultural norms in the program. This is not to say that you shouldn't try to approach this unique situation in unique ways; the challenge will be to structure activities creatively but consistently to meet the needs of the policy development process.

7. Further don't depend on behavior from yourself, staff or board that has not been displayed in the past. If you have not been able to institute an effective performance appraisal or peer review procedure that staff have bought into, don't expect to make lay-off decisions based upon merit. If your board has not cooperated on certain issues in the past, don't expect the current crisis to magically allay the conflict. It is better to admit that a difficulty exists and to work from there rather than hoping the problem won't arise.

8. Be realistic about how time consuming this process has to be if positive results can be reasonably expected. If you feel you have progressed through much of this process good, but don't underestimate the time needed to implement the decisions made. A process that has been successfully used by some programs to map out their process and develop task schedules is described in Attachment II.

9. If, after reading this paper, you feel you are behind schedule, you are not alone. Use the delineation of tasks here to plan your process. With less time, the need for clarity in roles is even greater if confusion is to be avoided. Ask yourself who wants to be involved and how, and then compare that

to your analysis of who needs to be involved. If there is a great divergence in the lists and more involvement than is feasible is desired, see if there are efficiencies that can be achieved by effective use of committees, questionnaires, off-site retreats or thoughtful staff work. A week's worth of work can be accomplished in a two day retreat if thoughtful position papers are prepared and read before the session. Again look at the process described in Attachment II, the more clearly you can describe what should be done by whom and when the better able you will be to successfully manage your retrenchment process.

## RESPONSIBILITY CHARTING

### PURPOSE

1. To identify decision areas in which there are ambiguities.
2. To negotiate, if necessary, around differences in the allocation of responsibility among key actors over critical decisions.

### SUMMARY

As organizations become more complex, the quality of inter-unit relationships often deteriorates. People are not clear who is involved and how in specific decisions. Responsibility Charting is a structured process for surfacing different perceptions and jointly negotiating clear agreements. These agreements and the process of achieving them can improve accountability, effective delegation, and communications.

### PROCESS

Small group study process led by a facilitator.

### TIME

In 2-3 hours a small group can make considerable progress on a few decisions. The process is more powerful when broken into a series of meetings with periods in between to construct the charts, collect individual opinions and analyze the data.

### NUMBERS

Best with 6-10 people in a face to face situation, but with care it can be used with larger groups if broken into different stages. The full group must be briefed on the process, try it, and share misunderstandings before balloting on the decisions. Then the feedback must await the analysis of the data.

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### RESPONSIBILITY CHARTING

As organizations seek to adapt to conditions that are changing at an accelerating rate, they become more fluid and complex. Managers can no longer regard the organizational structure in which they operate as fixed and unchangeable. Rather, they must actively manipulate the controllable aspects of organization to further their goals.

Therefore, managers need some specific tools to help them cope with increasingly complex transactions and renegotiations among units and roles. Changes in the formal tables of organization are insufficient. The process of Responsibility Charting begins to meet the needs of managers attempting to manage changing, fluid, and complex organizations.

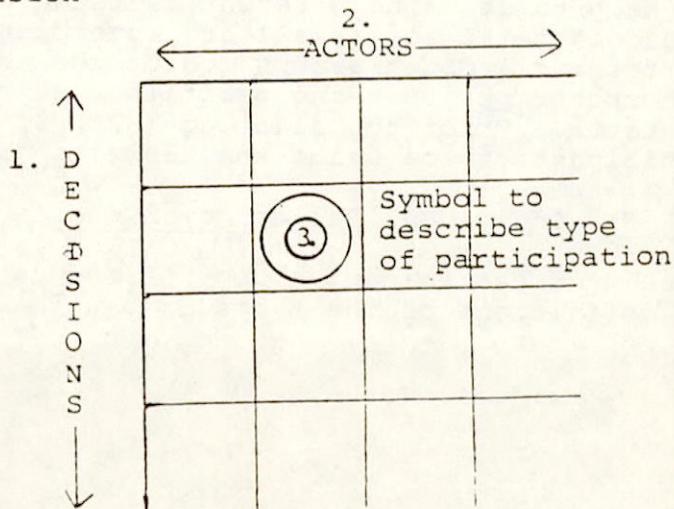
Responsibility charting is based on the assumption that misunderstandings and/or an absence of information about who has what kind of a responsibility in making a decision is a major cause of failures in the decision-making process. These failures are of two types. Errors of omission or commission lead to poor decisions, too many decisions, and mistakes. Bureaucracies are more effective in detecting and correcting errors of commission.

Responsibility charting generates information from organizational members about their understanding of which actor in the organization has what kind of responsibility for certain decisions. This information can then be used for a number of purposes to ensure a better coordinated decision-making process.

#### PROCESS

Introduction: Responsibility Charting is a way of systematically clarifying relationships among:

1. Decisions
2. Actors
3. Types of participation of each actor in each decision



STEP 1: Make a Decision Matrix Form

Down the left side, list the decisions that are at issue. They may be decisions which are made periodically to the organization during everyday operations, or proposed decisions for a new project, etc. The choice depends upon the purpose of the group meeting. Across the top list the actual and/or potential actors who are relevant to the listed decisions regardless of whether they are in or out of the organization.

STEP 2: Develop Mutual Understood Codes to Describe Type of Participation

The codes to be used should be home-grown, in a language natural to the culture of the organization. They must be rich enough to capture significant differences. A starting set of terms is:

A = approve - a person who must sign off or veto a decision before it is implemented or select from options developed by the R role; accountable for the quality of the decision.

R = responsible - the person who takes the initiative in the particular area, develops the alternatives, analyzes the situation, makes the initial recommendation, is accountable if nothing happens in the area.

C = consulted - a person who must be consulted prior to a decision being reached but with no veto power.

I = informed - a person who must be notified after a decision, but before it is publicly announced; someone who needs to know the outcome for other related tasks, but need not give input.

DK = don't know.

A blank indicates no relationship.

A useful way of testing the understanding of the codes is for each to describe a recent decision using the terms and then compare to see if all are interpreting them in a similar fashion. Often groups modify the above basic terms with subscripts or using capitals and small case, or adding new terms. Prior to balloting (STEP 3) it is important for participants to be using the terms in similar ways.

STEP 3: Individual Balloting on the Decisions

Given each participant a copy of the decision matrix and key definitions of the types of participation. Working

horizontally, each respondent should fill out the chart as he or she thinks that decision is made, not how it should be made nor how it is prescribed in some manual. People should fill out all columns, not just their own.

STEP 4: Record the Data

Collect the forms and record the aggregate results on a large form that can be seen by the whole group or on a smaller form, with copies distributed to the group. Ideally this recording should be done after the first meeting with a later meeting scheduled for analysis and discussion. A useful technique is to record the data on overhead transparencies to help in the negotiations.

ACTORS DECISIONS	Dir.	Division Chiefs	Prog. Planner	PERCEPTION OF:
Development of New Programs	A (Approve)	C (Consulted)	R (Responsible)	DIRECTOR
	A (Approve)	C (Consulted)	R (Responsible)	DIVISION CHIEFS
	A (Approve)	R (Responsible)	C (Consulted)	PROG. PLANNER

STEP 5: Analyze and Discuss the Data

There are three major aspects to the analysis. The first involves clarification of discrepancies in how different parties see decisions being made. The second and third involve discussions about the overall pattern across roles (horizontal) or across decisions (vertical).

A. Analysis of Discrepancies

If a large number of discrepancies exist between the codes entered by the decision-maker for himself and those entered by others, the group needs to clarify what is going on. Often the process of responsibility charting itself will help to improve this condition.

Possible Discrepancies

You See Your Role As	Others See It As	Consequence
A	R	You are waiting to make final signoff type decision and looking to others to develop the alternatives. They are looking to you

You See Your Role As	Others See It As	Consequences
		for the major initiative. Possible lack of action in this area, with your blaming others for not delivering when they in turn are looking to you.
R	A	You want the central role, developing the alternatives, others see you as a final signoff and perhaps give you too little information and involve you later than you want in the decision process.
C	I	You want a chance to make substantive input before the decision. Others see you as only needing to be informed.
I	C	You want to know the decision, but not be involved. Others will draw on your time expecting input when you don't feel the need for involvement. Problems arise when others wait for your response, when you feel you are only being informed.

Once people have worked through to a shared understanding of the allocation of responsibility, they can turn to the the overall patterns.

B. Vertical Analysis by Decision Maker

Finding	Possible Interpretation or Question
1 Lots of R's	Can or need the individual stay on top of so much?
2 No empty spaces	Does the person need to be involved in so many decisions or could management by exception principles be used, perhaps reducing C's to I's or leave it to the individual's discretion when something needs particular attention.
3 No R's or A's	If a line position, may be a weak role that could either be enlarged or eliminated.

<u>Finding</u>	<u>Possible Interpretation or Question</u>
4 Overall pattern as against the personality type of the role occupant	Does the pattern fit the personality and style of the role occupant - either too little involvement, too much, etc.

C. Horizontal Analysis by Decisions

1 No R's	Job may not get done; everyone waiting to approve, be consulted, or informed; no one sees their role to take the initiative.
2 Lots of A's	Diminished accountability. With so many people signing off may be too easy to shift the blame around.
3 Lots of C's	Do all those individuals really need to be consulted? Have the costs of consulting in terms of delay and communication time been weighed against the benefits of more input?
4 Lots of I's	Do all those individuals need to be routinely informed or could they be informed only in exceptional circumstances?

SUMMARY

Responsibility Charting imposes a discipline that helps a group work through specific issues and systematically examine how each role will relate to each issue.

It is task-focused rather than raising sensitive interpersonal issues. It does not require third party facilitation. It values multiple perspectives and sharpens the group's understanding of their differences prior to resolving them. It is data-based and moves from specifics to general policies much like case law. Finally, it acknowledges the true complexity of organizations as opposed to tables of organization that hide as much as they reveal.

Uses and Abuses

1. This process is time consuming! Do not start it unless the group is willing to invest enough time to resolve the conflicts which will surface.
2. Try the process first with only a few decision-makers and decisions. In any event a top management group can probably deal with only 5-10 decisions in a day long session.
3. Because the process involves a significant time investment it should be used to deal with important decisions only.
4. The process is bound to surface conflicts over decisions. It is important to make clear how these conflicts will be resolved before beginning the process.

5. Frequently Asked Questions About Responsibility Charting

- a. CAN YOU USE IT FOR TASKS AS WELL AS DECISIONS?

Yes. It works well with tasks and can be integrated with times to create a critical path chart with the additional information of who is responsible for each task.

- b. ARE MULTIPLE R'S PERMISSIBLE?

Yes. However, the group should identify the lead R (perhaps using a subscript, e.g., R<sub>1</sub>) so that if nothing happens it is clear who to blame.

- c. ARE MULTIPLE A'S PERMISSIBLE?

Yes, although it can paradoxically reduce the accountability because each assumes the other is taking a close look.

- d. CAN ONE ACTOR HAVE TWO ROLES?

Yes, particularly at different times. For example, a subordinate may consult a boss to get names of candidates for a job and later submit the final candidate for approval.

- e. WHAT IF EVERYONE SEES THEMSELVES AS RESPONSIBLE?

Unless harnessed in some task force, there may be considerable wasted effort that Responsibility Charting could surface.

- f. WHAT IF NO ONE SEES THEMSELVES AS RESPONSIBLE?

You run the risk of no initiation in the area.

g. HOW DO I DEFINE THE DECISIONS PROPERLY?

Developing the decisions is difficult. It is best to make a long list and then cluster them. Decisions can be too global, (e.g., hiring without indicating at what level) to too specific.

h. HOW DO I HANDLE LEGALLY OR ADMINISTRATIVELY REQUIRED REVIEW AND COMMENT, OR SIGN-OFFS SUCH AS A PERSONNEL OFFICER?

You can either ignore them if it is inconceivable that the individual would not sign off or indicate with an A or C, perhaps with some other code to indicate its routine nature.

i. WHAT ARE THE DANGERS OF USING THIS PROCESS IN MULTI-AUTHORITY SYSTEMS?

It can be helpful in negotiating understandings as regards the relationships between two equal groups. However, if they cannot agree, you have merely clarified the difference but have no superordinate body to resolve the issue.

j. HOW DO I DEAL WITH THE PROLIFERATION OF ACTORS?

There are several techniques. First, include sub-offices with the major unit. For example, one might say Regional Office instead of listing the 4 or 5 key units. On one decision it might be the Regional general counsel who is exercising the A, on another it could be the Regional Director. People can quickly check to see if they have the same image of who specifically in an office is involved. The other technique is to have general categories, such as "Affected Bureau." There may be 10 bureaus, some of which have no role on some decisions. Respondents can note which bureau they are thinking of. Blank columns allow people to identify the persons or roles involved for specific decisions beyond the major actors.

k. HOW DO I KNOW IF I HAVE INCLUDED ALL THE ACTORS?

You don't. Too often we find someone thought they were a stakeholder in a particular decision only after it was made. All you can do is think logically and creatively as to who might care about the issue under discussion.

l. IS IT USEFUL FOR PROBLEMS IN WHICH EVERYONE THINKS THAT THEY HAVE AN EQUAL SAY?

Yes, if you wish to change that situation. No, if it is appropriate, such as on a Board in which all members appropriately have the same relationship to an issue.

- m. HOW USEFUL IS IT IN VOLUNTARY OR PROFESSIONAL ORGANIZATIONS WITH LAY BOARDS?

Can be extremely helpful in working out Board-Staff relationships.

- n. CAN IT BE USED WHEN AN ORGANIZATION IS JUST STARTING UP OR CHANGING RAPIDLY AS NEW PEOPLE COME ON BOARD?

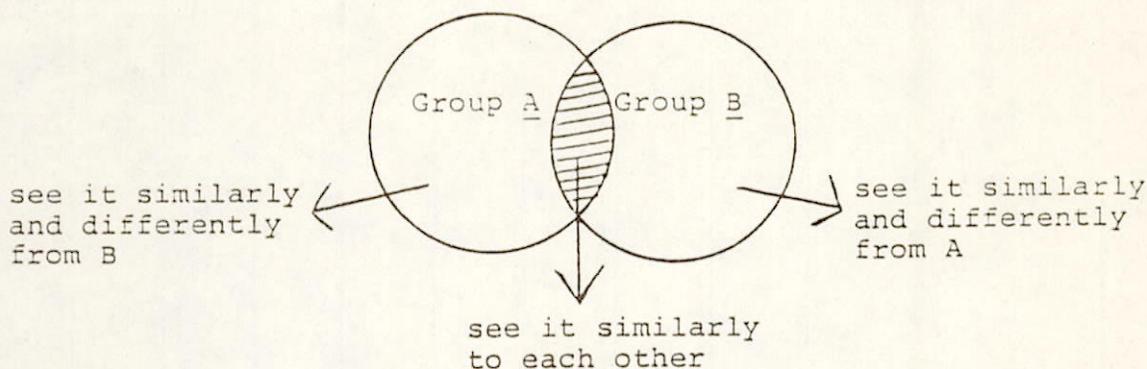
Yes, very effectively to orient new people, or to stimulate different decision procedures.

6. The data generated by this process can be used for a number of purposes.

a. Design: Either in idealization or anticipated reality mode, Responsibility Charting can be used to design a new organizational configuration. It is more powerful than trying to begin with formal tables of organization because it enables the identification of different relationships by levels to different types of decisions. It also incorporates the influences on decisions of external actors. Finally, because of the ease of using it anonymously and refining it through feedback, it prevents premature consensus or excessive influence in the design of superiors.

b. Simulation: This is closely related to design, but perhaps at a later stage when a structure has been tentatively identified. The decisions can then be simulated, with anonymity again ensuring that perceptual differences will surface clearly. It is far easier to resolve differences around hypothetical cases and policy before people are in a win/lose situation with a real problem in which other factors enter in. A more sophisticated version of this mode would be to rerun historical cases through the new configuration, either policy issues or individual cases.

c. Conflict Resolution: In an organization in which role confusion exists, Responsibility Charting can be a powerful diagnostic tool that clearly surfaces the perceptual differences of the existing situation and enables problem solving bargaining to take place around the design of a new arrangement. Rather than fighting win/lose battles on a specific decision between two actors, Responsibility Charting allows tradeoffs among a richer set of decisions, larger group of actors, and with a subtler classification of the types of involvement in various decisions. It is particularly powerful in low communication/low contact situations (e.g., central office, field office) as it develops a substantial amount of data on the perceptions of the other in which intragroup variability is likely to exist and establishes a point of overlap before issues become polarized. Again, anonymity prevents enforcing of group loyalty.



It can be very useful within a differentiated work group as a way of working through interrelationships without delving into deeper interpersonal issues.

- d. Training: Responsibility Charting is useful in training contexts to generate substantive discussions that will help individuals understand who is involved in what decisions and how they interrelate. In a short time a wide range of decisions can be discussed that would otherwise require several months of experience. It can clarify in advance sensitive issues of sanctioning of employees, promotions, layoffs, as well as identifying under what conditions people should involve others (management by exception). At one extreme, it could be used to brief systematically a new employee not only as to the relationship with the immediate supervisor but also with other units and other levels.
- e. Job Analysis: Responsibility Charting can be used to examine the decisional subset of specific jobs to raise questions about overload or underload or fit with the role occupant.
- f. Accountability: Responsibility Charting can enhance accountability by clearly identifying the expectations in advance as to how various actors will relate to key decisions: who will be blamed for errors of omission (nothing is done, e.g., no one sees role as R) and errors of commission (A perhaps ultimately and publicly responsible, but will hold R internally accountable for that role).
- g. Research: As a measure of the centralization of decision making, Responsibility Charting could be used in pre-post situation to examine the inputs of structural or leadership changes on the locus of decision making.



Attachment II:

Developing Task Lists

The process described below has been successfully used by several programs to first look at their policy development process to date, to analyze how effective the process has been and then plan the rest of the sequence, changing roles, tasks and timeframes as the preceding analysis suggests. From this charting process, task lists are developed that indicate What? should be done By Whom? and When?

Steps

1. Attach three large sheets of paper together lengthwise on a wall. Along the bottom of the sheets mark off evenly a time line with each sheet representing three months. The left hand sheet should represent the last three months. Today's date should be at the juncture between sheets one and two with the next six months marked off on the two right hand sheets.
2. On the first sheet reconstruct the last three months activities using the following symbols with dates attached:

○ = Staff Meeting

△ = Meeting

□ = Decision

Important local or national events such as Congressional decisions should be noted. Different colors can be used to signify different people or groups initiating the process.

3. Connect the different events together as they flowed out of each other. Different "tracks" of, say staff and board, activities should emerge.
4. Having completed this retrospective analysis next chart out the events already scheduled over the next six months. Then fill in the blank spaces with the activities you feel should take place, again using the above symbols.

(More symbols can be invented to meet your needs). Important external "trigger" events should be noted. Predict when you think these will occur, or the latest you can wait to act without knowing the outcome of the action. The more detail you can fill in on this chart the better prepared you will be.

5. Finally from this chart develop a task list detailing what has to be done when and by whom? A form that can be xeroxed and filled in is attached. You have not completed your planning process until this task list is completed and circulated to the appropriate people.

TASK LIST

Task	By whom?	When?