The Management Diamond

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Turbulent times

- The speed of change accelerates
  - Globalization dynamics
  - Industry restructuring
  - Competitive pressures

- Complexity increases
  - In society at large
  - In organizations
  - In management
Where are we heading?

The Individual

Self-Actualization

Esteem

Love

Safety

Physiological

Society

Dream

Information

Industrial

Agricultural

Hunting

Industrial

Agricultural

Hunting
Three key value drivers

- Margin
- Volume
- Lifetime
Manage assets – *lead* people!
The *business* axis

Operation ↔ Strategy
The *operation* dimension

Statements about the operation dimension:

- “I truly *enjoy* operational matters!“
- “I firmly believe that *profitability* keeps us alive!“
- “I know our *products/services* very well!“
- “The *budget* is my prime tool!“
- “I am *seldom surprised* by our results!“
- “I have very good *follow-up* routines!“
- “I use every opportunity to *visit production sites!*“
The *strategy* dimension

Statements about the strategy dimension:

- "I think strategy is my *prime responsibility!*"
- "We have an annual *strategy process!*"
- "Without a *clear strategic direction* the company would be drifting aimlessly!"
- "I tend to be *externally focused!*"
- "*Discontinuities* intrigue me!"
- "I regularly *read books* on strategy!"
- "I am regarded a *strategist* - and proud of it!"
The *human* axis

Decision

Motivation
The **decision** dimension

- Statements about the decision dimension:
  - “Unless decisions are taken, *nothing happens!*”
  - “I give the *direction* and set *priorities!*”
  - “I simply *like* to decide - to be the *boss!*”
  - “I *feel good* about most of my decisions and *regret few!*”
  - “I am *persuasive!*”
  - “I am *expected* to decide!”
  - “To *choose* is to decide!”
The **motivation** aspect

Statements about the motivation dimension:

- "Motivated people acting in concert represent a *formidable force*!"
- "I am the [a] *front figure* of [in] my company!"
- "I am a *team-player* committed to *culture*!"
- "I *love people* - and it shows!"
- "I enjoy holding *pep-talks*!"
- "I am a good *coach/mentor* promoting *learning*!"
- "True *delegation* rests on good *motivation*!"
Business & human axis combined...

Decision

Operation ← Operation

Strategy → Strategy

Motivation
0-5 score scale

Decision

Operation ← 0 → Strategy

Motivation

5 4 3 2 1 0
The four archetype quadrants
The management diamond

Decision

Control Growth

Operation Strategy

Coach Vision

Motivation
The *growth* manager
The *coach*

![Diagram showing the coach's role in decision making, growth, strategy, operation, control, vision, and motivation.](image)
The visionary

Decision

Control Growth

Operation Strategy

Coach Vision

Motivation
The **controller**
From *attitude* to *action*

- Balanced focus on operations, strategy, motivation, and decisions is important for *the right attitude*...
- ...but without «actitude» - turning attitude into *actions* nothing happens!
  - Motivation is created by living an attitude
  - Decisiveness requires that actions follow attitude
  - Operations without actions make no profits
  - Strategy without implementation means stagnation
The diamond scoring

- 5 - “I strongly agree”
- 0 - “I strongly disagree”
- Take a stand - use integer scores!
- Exception: 2½ - a neutral or average score
- Both the diamond size and the shape are significant:
  - The size says something about quantity and is measured by the area of the diamond;
  - The shape says something about quality and indicates archetype inclination
Computing the score

The area of the diamond is the sum of the four right-angled triangles of each quadrant:
- $3 = 2 \times 3 \times \frac{1}{2}$ (Growth)
- $1 = 2 \times 1 \times \frac{1}{2}$ (Vision)
- $2 = 4 \times 1 \times \frac{1}{2}$ (Coach)
- $6 = 4 \times 3 \times \frac{1}{2}$ (Control)
- $12 = 3 + 1 + 2 + 6$ (Total)

Multiply the raw score of 12 with a factor of 8 to get the normalized score (index): $96 = 8 \times 12$
Interpreting the score

- The size or normalized score of 96 is slightly below an index of 100, equalizing a raw score of $2\frac{1}{2}$ on each aspect.
- The shape of the diamond indicates a controller, since 50% of the score derives from the control quadrant.
Setting goals

- Present diamond
- Desired diamond

Operation

Strategy

Control

Growth

Coach

Vision

Motivation
Be unique!

DEVELOP YOUR STRENGTHS - IMPROVE YOUR WEAKNESSES...
The management **team**

- Handling today’s complexity transcends any single manager’s capabilities...
- Only a well-functioning management **team** can navigate these challenging business waters successfully

![Diagram of management team structure]

- COO: **John**
  - Finance manager: **Bill**
  - Human resources: **Anne**
  - Production manager: **Peter**
  - Marketing domestic: **Mary**
  - Marketing export: **Paul**
Introducing **clout**

- To transform *individual* management diamond to *team scorecard* (or a team diamond)...

- Each manager’s saying or *clout* is assessed:
  - In a 6-member team the average clout is **16.7%** (100%/6)
  - If the COO has **25%**, the average of the rest of the team is **15%** ([100%-25%]/[6-1])
  - Clout is assessed in a discretionary, judgmental manner

- The clout is used to *weigh* each manager’s individual dimension scores to a *team dimension score* and thus making a team scorecard
Clout matters...

WHY SHOULD ANYONE BE ON A MANAGEMENT TEAM IF NOT LISTENED TO?
Clout scores

- Just as for the individual diamonds, the clouts scores can be altered...
- Thus improving the team’s interaction and performance
- In this example – one desires to *even* the team members’ clout
The current team scorecard

John  Bill  Anne  Peter

Mary  TEAM  Paul

30%  15%  12%  18%
10%  16%
Aligning team objectives

John  Bill  Anne  Peter

O S O S O S

M M M M

D D D D

Mary  TEAM  Paul

22.5% 15.5% 15.5% 15.5%
Team development

TEAM DEVELOPMENT REQUIRES TRUE TEAM EFFORTS!
Principal process steps

- Identify the individual team members’ present management diamond
- Assess the individual team members’ present clout
- Draw the present team scorecard
- Considering the company’s challenges and team potential – define the desired team scorecard
- Define the desired clout profile
- Develop the desired individual management diamonds that will fulfill the team objective
# Team development matrix

<table>
<thead>
<tr>
<th>Aspect</th>
<th>John</th>
<th>Bill</th>
<th>Anne</th>
<th>Peter</th>
<th>Mary</th>
<th>Paul</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision</strong></td>
<td>Prioritize my decisions – let others come forth!</td>
<td>Improve the IT-based decision tools! (Management counselor)</td>
<td>Organizational learning – improve our decision process!</td>
<td>Accept different views – use value chain thinking more!</td>
<td>Improve my communication and decision follow-up!</td>
<td>“Don’t be too pushy!” Focus on our “Cultural awareness”!</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Revitalize the strategy – focus turnaround; new export meetings!</td>
<td>Prepare strategic scenario tools – create proactive flexibility!</td>
<td>Engage myself! Improve process; translate strategy to organization!</td>
<td>Proactive R&amp;D – matching design, quality, cost and performance!</td>
<td>Product/market forum with Peter and Paul.</td>
<td>Establish export strategy – product and market forum with Mary/Peter.</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>Initiate motivation program. Set some “Big hairy goals”!</td>
<td>Common motivation program!</td>
<td>Motivation program – keep the “Diamond” process alive!</td>
<td>Motivation program – really improve my team relations.</td>
<td>Motivation program – participate plus coach the others!</td>
<td>Motivation program. What’s our unique “company story”?</td>
</tr>
<tr>
<td><strong>Operation</strong></td>
<td>Start operative meetings with Peter! Refresh benchmarking!</td>
<td>Value chain drivers! Key performance indicators report!</td>
<td>Rollout of the “Diamond process” to the organization!</td>
<td>Operative support to John. Actively use benchmarking!</td>
<td>Develop the Internet shop – dealer/customer support.</td>
<td>Sales force training. Improve the distribution network!</td>
</tr>
<tr>
<td><strong>Clout</strong></td>
<td>Consciously let the others come forth!</td>
<td>Settle in the management group.</td>
<td>Be heard! Prepare well – speak out! Self-confidence…</td>
<td>Be a better listener, be more patient and respect others!</td>
<td>Be heard! Prepare well – speak out! Self-confidence…</td>
<td>Encourage honest feedback!</td>
</tr>
</tbody>
</table>
Usage of the diamond concept

- On the *individual* level:
  - Improve self-understanding;
  - Promote self-development;
  - Contribute to self-actualization

- On the *team* level:
  - A tool for team-analysis;
  - A tool for team-building/team composition;
  - A concept that integrates team-development and the company challenges

- In *business organizations*, by *strategy consultants* and *headhunters*
An holistic and integrated model

- The management diamond focuses both the single manager, the management team, and the company.
- This anchoring is necessary to go from attitude to action – achieve sustainable improvement and development.
- It recognized real assets as well as human capital.

![Diagram](From Attitude to Action)

- The Manager
- The Team
- The Company
The **Diamond** – a no regret concept

- The Diamond concept provides *no regret guidelines* for management.
- The model and score figures are not the main issues per se...
- Its significance is as a tool focusing on the importance of *strategy, operations, decisions* and *motivation* and last, but not least, their interaction.

VISION, COACHING, GROWTH AND CONTROL BREED SUCCESS