



Black Holes and Heroes

By Ron Lutka, CMA, ACIS, P.ADM., CorpS, Acc.Dir.

At times, the only force holding an organization together and preventing it from falling into the abyss comes from unsung heroes within its ranks.

Many routine things within organizations are taken for granted. People show up for work, do their jobs and collect their pay. The presence of heroes, on the other hand, is not routine and can be entirely off management's radar. Within organizations, a constructive force can often be found working beyond the call of duty to fix or improve that which is broken. Unfortunately, management is often unaware of the existence of problems in need of fixing or those who work diligently to compensate for the problem.

A Primer on Black Holes

Management is often not aware of the root cause of some forms of destruction in the organization. For instance, management might see a lot of busy people but not much production, and not know why. Sales might be declining but inventory might be increasing due to customer returns that management might not be aware of. In other words, if a black hole exists management might see the destruction, but will not be able to see the root cause of the destruction.

Known problems warrant management's attention; however, unknown problems are far more insidious because management cannot resolve what it does not know or cannot define. This is why black hole

destruction festers and compounds, creating great damage to the organization and its people.

Black holes are defined as:

An area of an organization where there is, unbeknownst to management, an abundance of undesirable activities or a lack of desirable activities, both of which destroy organizations.

The above definition contains three important characteristics:

- 1) damage is occurring to the organization;
- 2) there is an abundance of undesirable activities and lack of desirable activities, not merely an occasional occurrence; and
- 3) management might or might not be aware of the damage occurring to the organization; however, management is definitely unaware of the root cause of the damage.

Withered Responsibility

Present deep within black holes is the manifestation of withered responsibility.

Organizations are not composed of cogs but rather of functioning, thinking beings. To function smoothly, organizations need employees who consider stations, situa-

tions, activities, or functions prior to and subsequent to their own. Views must overlap to make things run smoothly, to catch errors, and to spot opportunities. Understanding what the next person needs, why she needs it, and when she needs it can alter one's preparation and delivery.

The best organizations are far from perfect. Few, if any, organizations align so perfectly that every action interconnects flawlessly with the next one. Only in an ideal organization—one that exists in our imaginations—can all cogs mesh seamlessly. However, when employees withdraw, as they often do when deep rooted problems persist, they no longer remain vigilant and seldom look beyond their own often narrow job description. Functions mesh even less seamlessly, contributing to the downward spiral of the organization.

Enter Heroes

Manually prepared notes on what to do when certain events happen (or do not happen) are a common and visible manifestation of black holes. These notes are not found in procedural binders; rather, they are the yellow sticky notes smothering computers and they are scraps of paper under keyboards and in drawers. These crib notes hold some organizations together.

Most organizations that have black holes also have heroes. Management is most likely not aware that these heroes possess a high degree of responsibility—the opposite of “withered responsibility.” They take it upon themselves to do all they can to hold the organization together and to help it function.

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In many cases, they have bridged gaps between the organization's policies and procedures with yellow sticky notes or other informal notations or actions. This process is rarely elegant; it is often effective. However, these heroes hold the organization together at a cost—often a heavy toll upon themselves. The results are lost productivity and eventually burnout, as these heroes take time out from their everyday work to perform these patchwork functions.

Relying on heroes should, at best, be a short-term fix—like NASA relied on the astronauts of Apollo 13 to produce a patchwork fix that allowed the malfunctioning spacecraft to make it back to earth when the flight seemed doomed. You cannot hold an organization together forever with patchwork fixes. More permanent corrective actions must be implemented—like eradicating black holes.

An Example of Heroes

Here is an example of a black hole and heroes. The chief financial officer of a major carpet distributor wanted to know why a customer was not paying his large, past-due accounts receivable balance. The CFO began his investigation by paying a visit to the accounts receivable clerk handling that account. From her drawer, the clerk pulled charge-backs that the customer had submitted—two co-op advertising charge-backs and one large charge-back for returns. She then referred the CFO to the “yellow stickies” on her computer.

One read “co-op” at the top and listed the names and extensions of marketing managers responsible for making co-op advertising deals with customers, according to information provided to the clerk by customers. The accounts receivable clerk then referred the CFO to a second yellow sticky that read “returns”. It listed two warehouse workers who received and counted product returned by the customers for credit and

had the name and the phone number of the warehouse manager. Other yellow stickies had lists of quantities of products returned by various customers.

The accounts receivable clerk explained that customers frequently refused to pay invoices until they received a credit note for co-op advertising or for product returns. She had informed the respective managers of the request for credit notes, but credit notes had not yet been issued.

The yellow sticky crib notes were the conduits through which customer demands for credits and the company actions—such as making co-op advertising deals and accepting returned goods for credit—finally met and were eventually resolved. The informal yellow stickies, maintained by an heroic clerk, had become an integral part of the organization, filling a vacuum in the company's policies and procedures and workflow.

Conclusion

Black holes in organizations remove transparency through broken procedures, loss of data integrity, the creation of informal systems that become receptacles for waste and incubators for crime, incorrect or

incomplete work, withered responsibility, and many more negative activities. Unsung heroes within an organization often take it upon themselves to do all they can to help the organization function, even if unknown to management. While an organization can consider itself blessed to have heroes in the ranks, relying on heroes to hold the fort until more permanent solutions are implemented should, at best, be a temporary solution to deep rooted problems.

Managers should remember to thank the heroes within the organization. They should also put systems in place to search for, identify and eradicate black holes that cause problems. This will free heroes up to be more productive and generate greater value for the organization.

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