

Good morning, everybody. Dennis Engelbrecht, Digging Deeper. We're continuing our theme of the labor shortage and how we can accomplish more as a company, have more productivity, be more effective with the people we have. So, one of the problematic areas that I see a lot out there is simply chain of command, and chain of command in order to get decisions made and get decisions made efficiently and effectively so that the work can move on, and whatever needs to be done can be and be done effectively.

There are a couple of things that I see here that are problematic in terms of the chain of command. The first is a bottleneck, and what do I mean by a bottleneck? Well, you've heard the term, certainly. There's too many things trying to get through a funnel, and the funnel's not big enough for everything to get through, so things get held up. All right. I've been at a company where contracts were the bottleneck, all right? Whether it was both subcontracts and owner contracts or customer contracts, but they had one person handling contracts, and they weren't getting it done. Simply things were piling up, and project managers, and other people were waiting weeks at times to get these approvals or get this last look at these things. So, that's a bottleneck and you want to make sure that you don't have them.

The other area that you see bottlenecks sometimes is people lined up at the door waiting for advice or waiting for a decision. Sometimes they're not physically lined up. They're actually looking to see if the office is clear. I can now go and get my advice or get my answer. But you have a lot of folks that are sometimes waiting on an answer, and that answer resides with one person. So, that truly is a bottleneck waiting on some advice or some decision.

Number one, how do you solve that bottleneck? Well, you solve that bottleneck by delegating authority, and delegating authority is probably the key to having an effective chain of command, all right? If all of the authority runs to one place, you're going to have bottlenecks, and you're going to have an organization that creeps to a halt at times, and it's going to be ineffective. So, make sure that the authority is delegated. You possibly have delegated the responsibility, by the way, but not the authority and that doesn't work. Make sure the authority is delegated to the lowest place where that decision can be made.

Now, what happens if you've delegated to the closest place where the decision can be made? Well, number one, that saves several folks, perhaps, as that decision would normally go up the chain of command, right? There may be three or four people that get involved and bogged down in a decision when it could be made at the lowest level. For those decisions to be made well when you've delegated that, you have to make sure people understand what you want. All right?

Write down from the vision of the company, the mission of the company, the values of the company. Your mission and values should be a lens with which decisions are made. If your employees understand the mission and values, and they're clear about it, they'll be able to make most decisions. Some decisions, though, do require training because people just don't have the knowledge to make certain decisions. In some cases, those need to run up the chain of command, or you can delegate the knowledge along with the responsibility and the authority so that they actually can make those decisions.

But delegated authority, particularly in construction, to the project level, that really is going to help your machine move faster, and it's going to help solve all kinds of problems in the field and on the job site itself. Throughput of decisions. A lot of decisions just simply don't get made and that, again, slows the wheels of progress as you go down there. You that I'm talking to today, you are the management, you are the leaders, you are the decision makers.

It's up to you to make the call a lot of times. It isn't always black and white, but there have been many studies about this. A decision made quickly and supported well, and with fervor and clarity, even though ultimately it might be the wrong call, is much better than not making the call and deferring the call to later. All right? Make the call. You're responsible. Sometimes you have to take the better of two not-perfect choices to get it moving.

Then finally, with chain of command, you got to make sure the resources are available. The biggest thing here is make sure you don't short yourself from the management side. If you simply don't have enough leadership and management

available to coach, support the group under you, that's going to bring the organization to a halt and make you less effective. So, where you might think, "Well, that's a big piece of overhead. That might be 150, \$200,000 to have that position out there."

Well, you're losing that 150 to \$200,000 now by lack of support, lack of touches, lack of decision making that's happening by not having the proper amount and level of decision making in your organization. So, coming back to the top, main item here is chain of command, decision making. Make sure that that's efficient. Make sure you don't have bottlenecks. Make the call.

Dennis Engelbrecht, Digging Deeper.