



ABOUT ME

# Ray Immelman

ICMCI – CMC

Founding member: TOCICO

Personal collaboration with the late Eli Goldratt since 1986

Board Appointments

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## My Just Cause

Bring meaning and prosperity to  
people's lives through impactful  
leadership



## My Experience

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- Some 200 companies
- America, Africa, Australasia, Europe
- Something is driving really successful businesses that is NOT in academic textbooks
- High-performing companies are not solely dependent on individual leaders
- Some intangible, but extremely important differences exist



## From “The Goal” by Eli Goldratt

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### THE GOAL

Well, as fate would have it, nobody happened to know about Customer Order 41427. So Peach had everybody stepping and fetching to chase down the story on it. And it turns out to be a fairly big order. Also a late one. So what else is new? Everything in this plant is late. Based on observation, I'd say this plant has four ranks of priority for orders: Hot . . . Very Hot . . . Red Hot . . . and Do It NOW! We just can't keep ahead of anything.

As soon as he discovers 41427 is nowhere close to being shipped, Peach starts playing expeditor. He's storming around, yelling orders at Dempsey. Finally it's determined almost all the parts needed are ready and waiting—stacks of them. But they can't be assembled. One part of some sub-assembly is missing; it still has to be run through some other operation yet. If the guys don't have the part, they can't assemble, and if they can't assemble, naturally, they can't ship.



# Presentation Structure

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- Changes in the world of work
- Changes in the leadership demands
- The new leadership requirements
- Case studies
- How TOC enables to high-impact leadership
- How you can benefit from the new reality



“I will pay more for the ability  
to deal with people than  
for any other under the sun”

John D. Rockefeller



## What Motivates People?

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- Abraham Maslow: Hierarchy of Needs
- Frederick Herzberg: Hygiene factors and motivators
- David McLelland: nAff, nPow, nAch
- Victor Vroom: Instrumentality, expectancy, valence
- Stacy Adams: Equity theory



# Changes in the World of Work

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- Falling job satisfaction
  - 14% very satisfied
  - 36% somewhat satisfied
  - 50% neutral to unsatisfied
- More than 67% of supervisors and managers are perceived as weak leaders

Conference Board Survey



# The Changing World of Work

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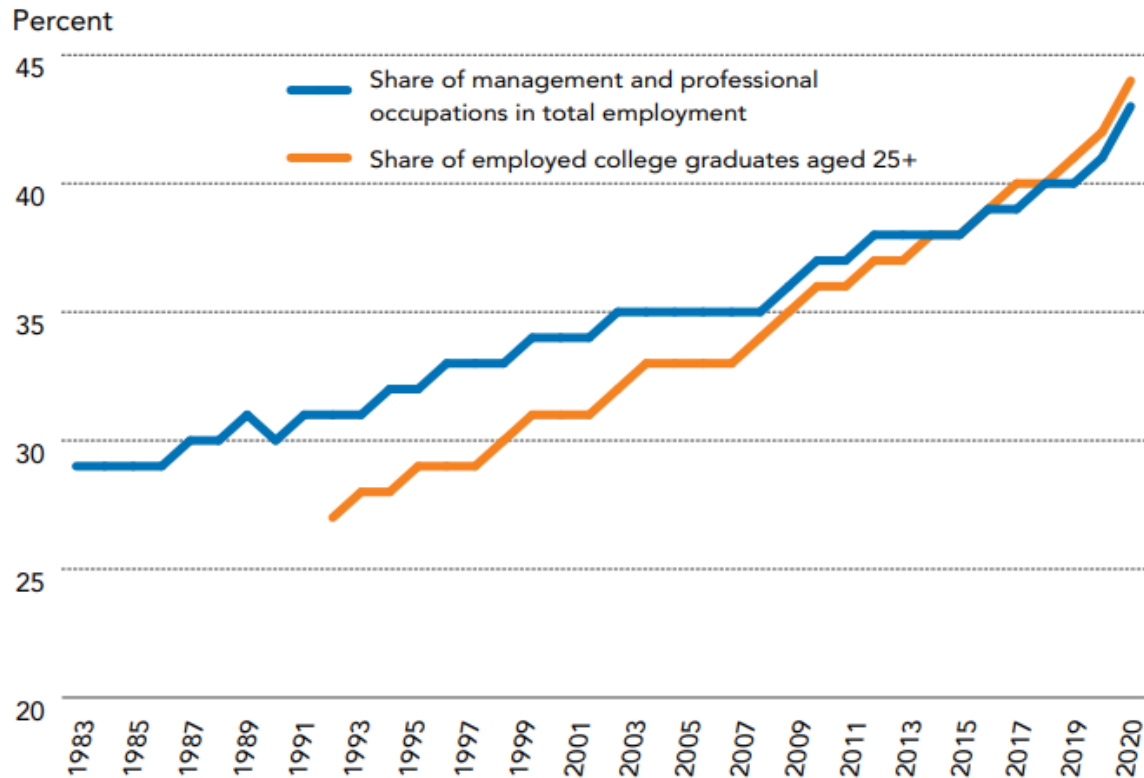
- 40% of workers feel disconnected from their employers
- 66% of workers are not motivated to drive their employer's business goals and objectives

Conference Board Survey





In recent decades, the share of management and professional occupations in total employment has been rapidly growing, contributing to improved job satisfaction readings



Source: Bureau of Labor Statistics





# The Changing World of Work

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- Increase in two income families
- Increase in single-parent families
- Less experience with vertical relationships
- Depend on peers for emotional support

Harvard Business Review

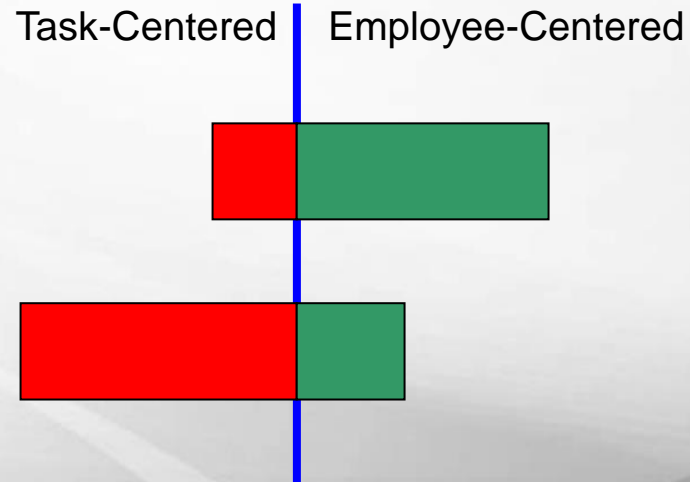


# Task/Relationship Conflict

First-line supervisors who are:

High-producing sections

Low-producing sections



Rensis Likert – 'New Patterns of Management'





# Task/Relationship Conflict

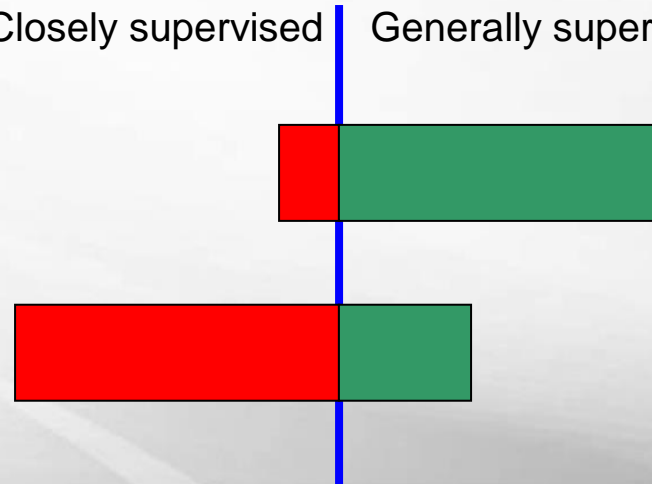
First-line supervisors who are:

High-producing sections

Low-producing sections

Closely supervised

Generally supervised



Rensis Likert – 'New Patterns of Management'





## **New Leadership Requirements**

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- Understand the new value system – anarchic ideal of leadership
- Build trusting relationships in cross-boundary networks
- Consensus and collaboration

Harvard Business Review





## Leadership or Management?

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- Management is the ongoing process of matching resources to objectives through the configuration of systems and processes.



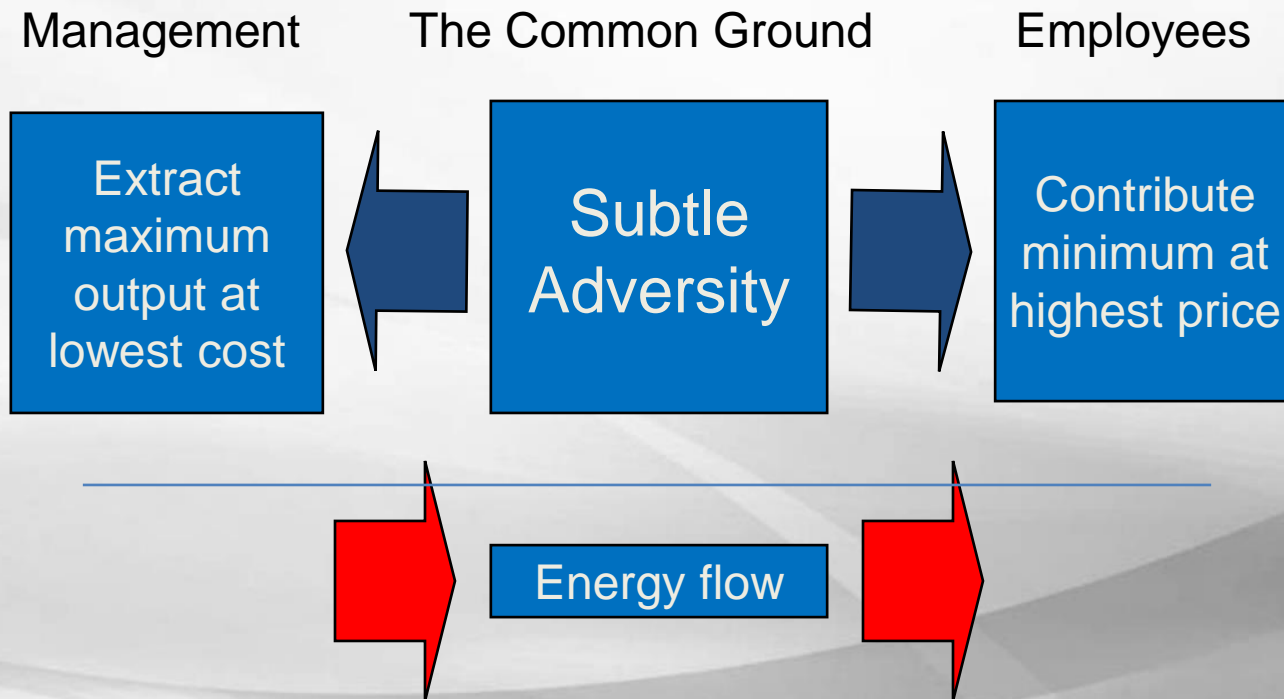
## Leadership or Management?

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- Leadership is enabling people to collectively gain for themselves that which they cannot gain by themselves.



## The Unspoken Transaction







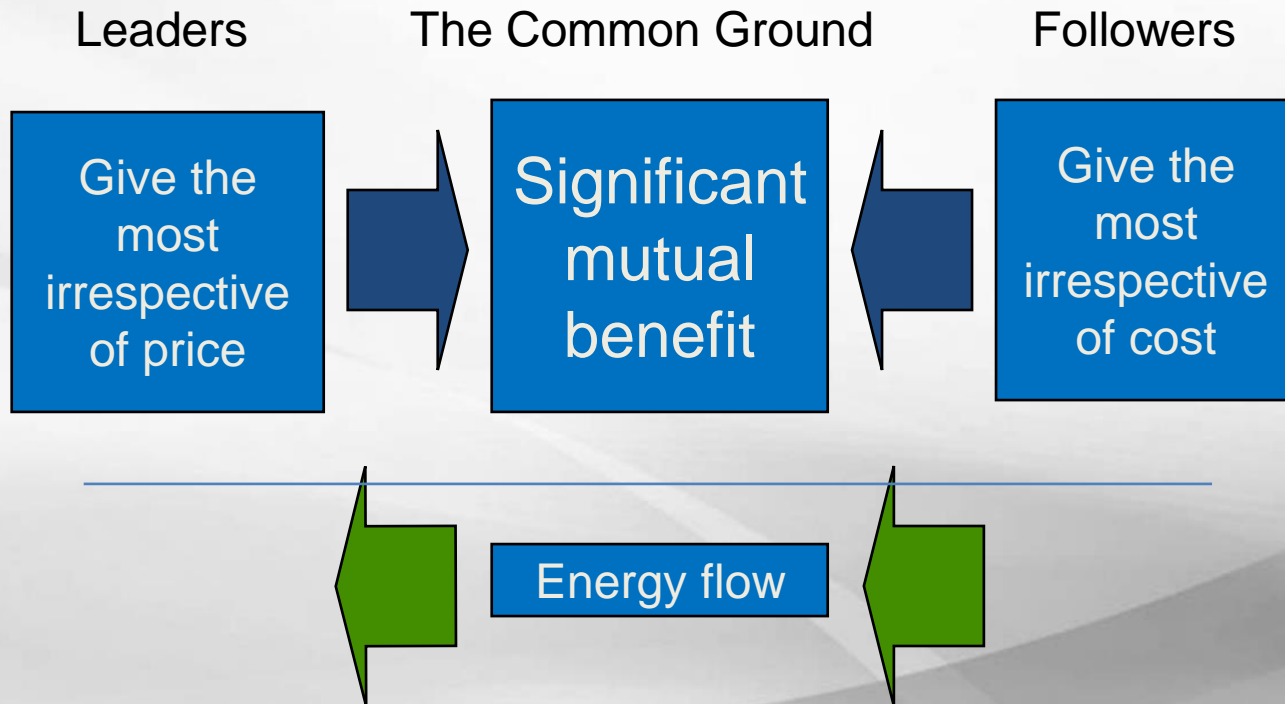
## Leadership or Management?

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- The difference is the primary motive
- Management is to “get”
- Management has no power, only control
- Does the same to people as it does to things:  
Processes, money, resources, structure, people



## The Desired Transaction





# Leadership is....

- . Leadership is certainty in the face of uncertainty
- . Leadership is clarity
- . Leadership is reassurance
- . Leadership is systems
- . Leadership is about conflict and disorder

**LEADERSHIP PRODUCES CHANGE**



**A DEFINITION**

# **LEADERSHIP**

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The ability to influence a group of individuals to achieve a common goal.

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Leadership is Power but Power is not Leadership



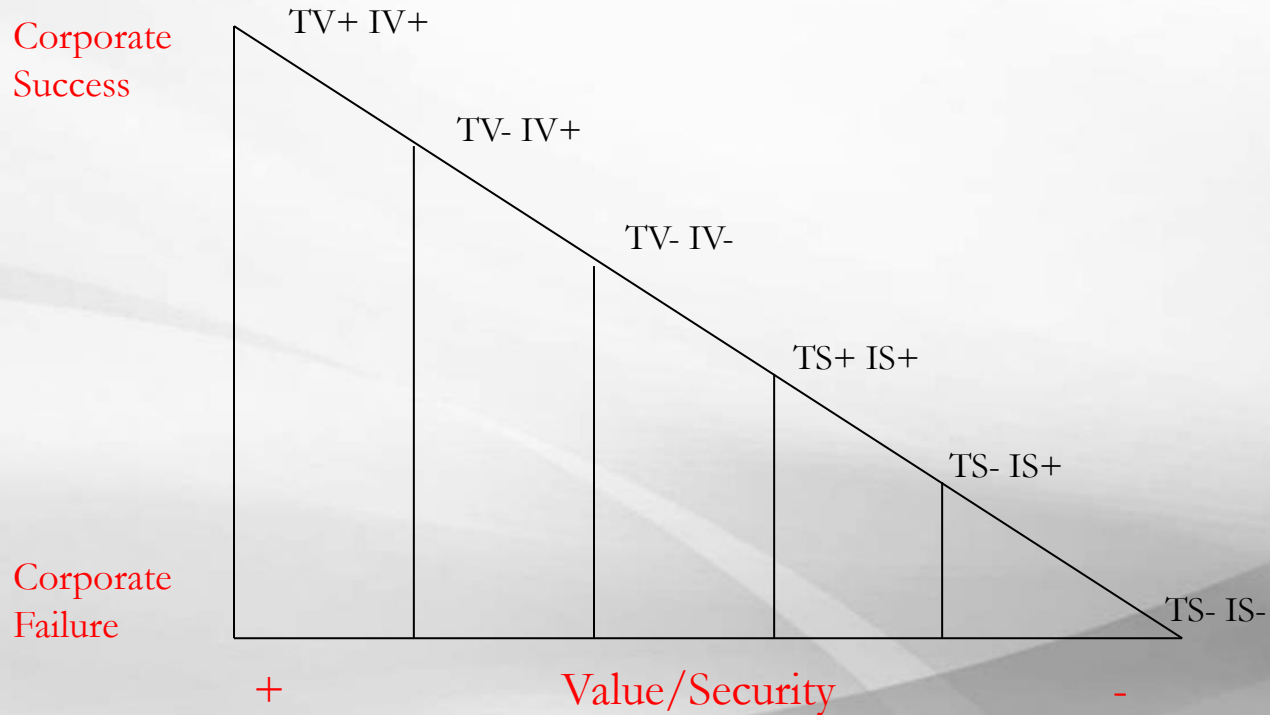
## A New View of Motivation

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- Motivation is a continuous interaction between the individual and the groups (tribes) that define his/her identity and self-worth.
- TS – Tribal Security
- TV – Tribal Value
- IS – Individual Security
- IV – Individual Value
- Value state is different from security state



# The Value/Security Continuum





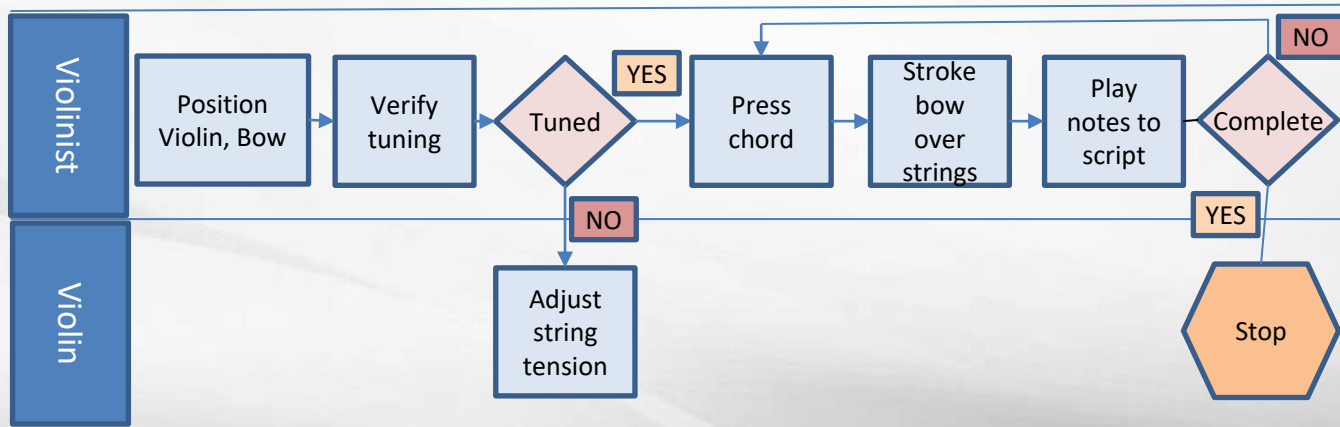
## Playing the Violin



Write the process flow diagram for playing the violin



# Playing the Violin







# Define the Process....





**THEORY OF CONSTRAINTS**  
INTERNATIONAL CERTIFICATION ORGANIZATION

TOCICO WEBINAR

# The Current Framework

## Function and Process Efficiency





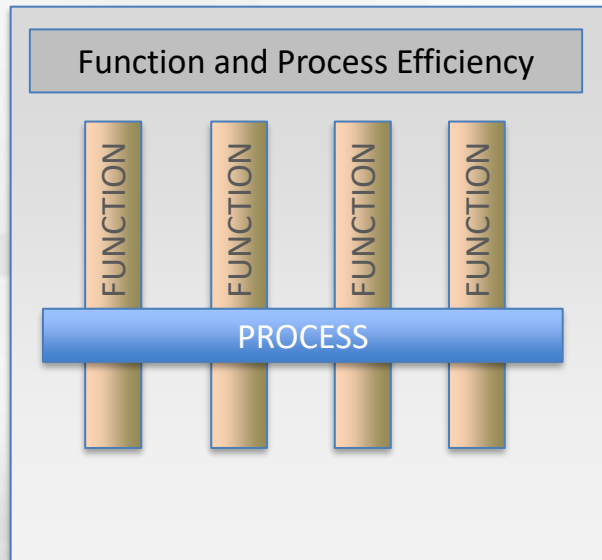
# There is a Process

Function and Process Efficiency

PROCESS



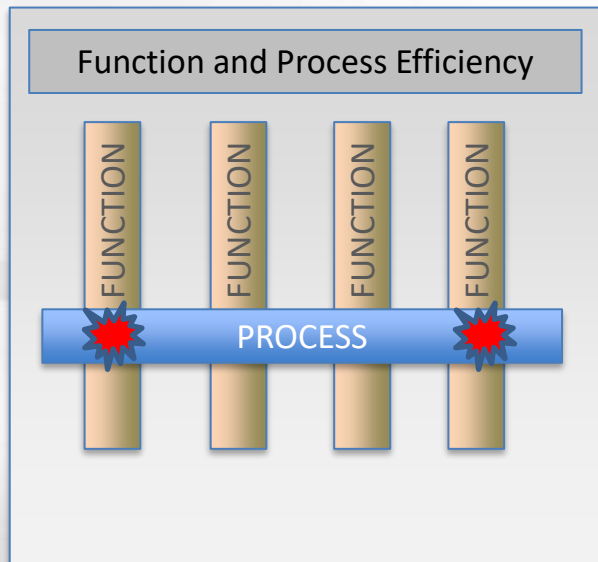
## ...Managed by a set of Functions



- Sales
- Operations
- Finance
- Personnel
- Purchasing
- ....



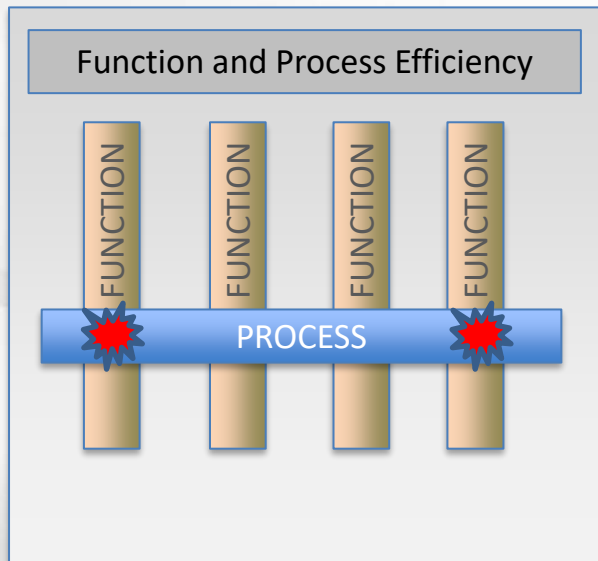
## ...Which are Constantly in Conflict!



- Functions are striving to meet their local goals and measures.
- These are mutually exclusive and constantly in conflict.
- 30%-40% of people's time is wasted by desynchronization of priorities (we measured it).



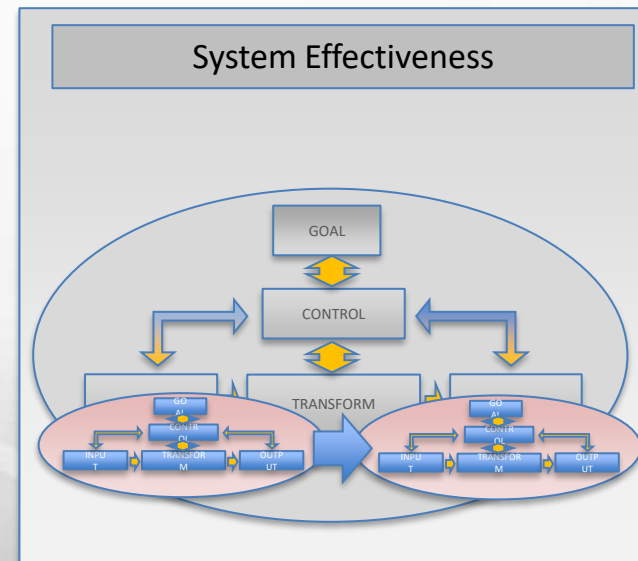
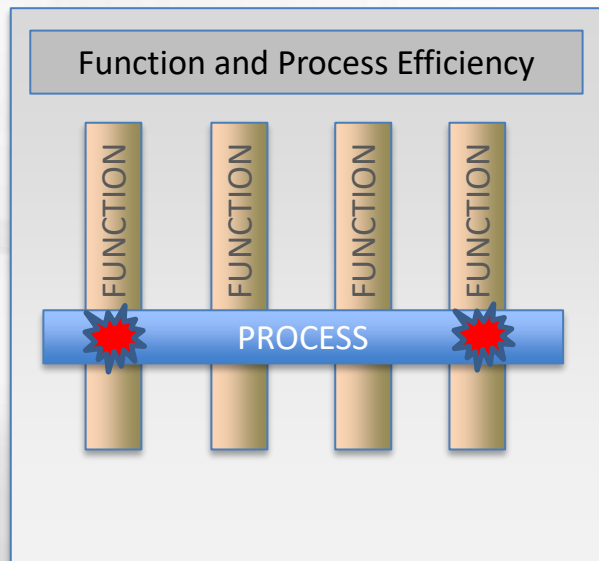
# Management's Response



- Companies try to deal with the conflict through constantly changing the organization chart.
- Companies also try to compromise through teambuilding.
- It does not address the core issue!

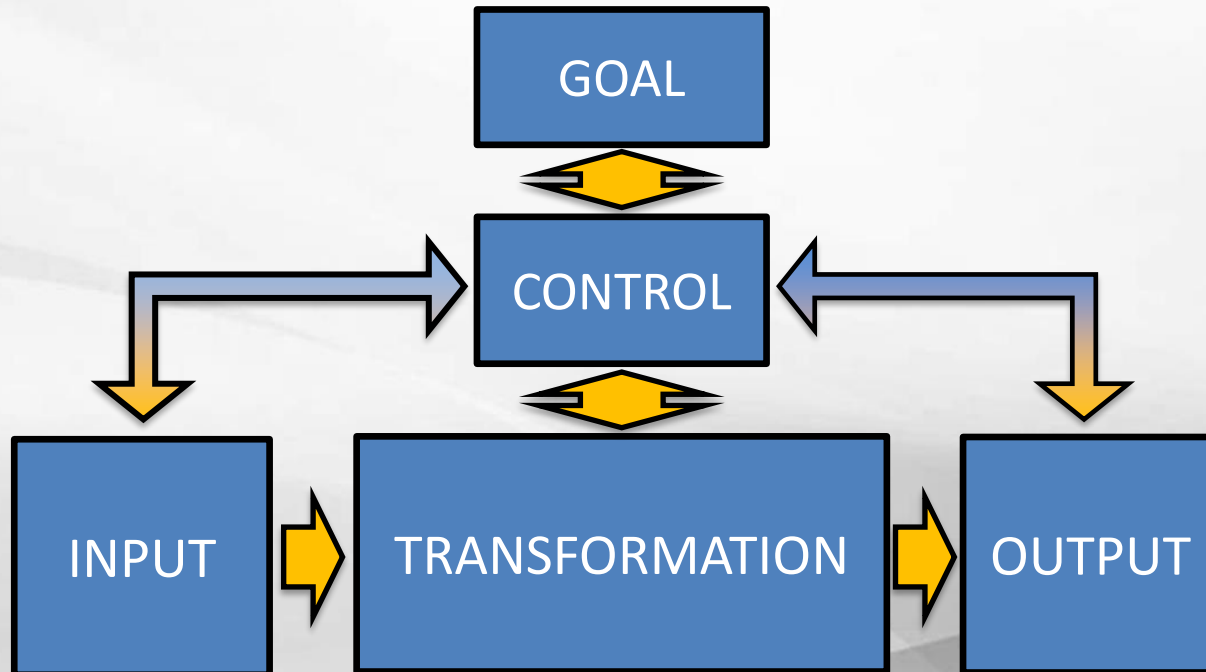


# Process vs. System



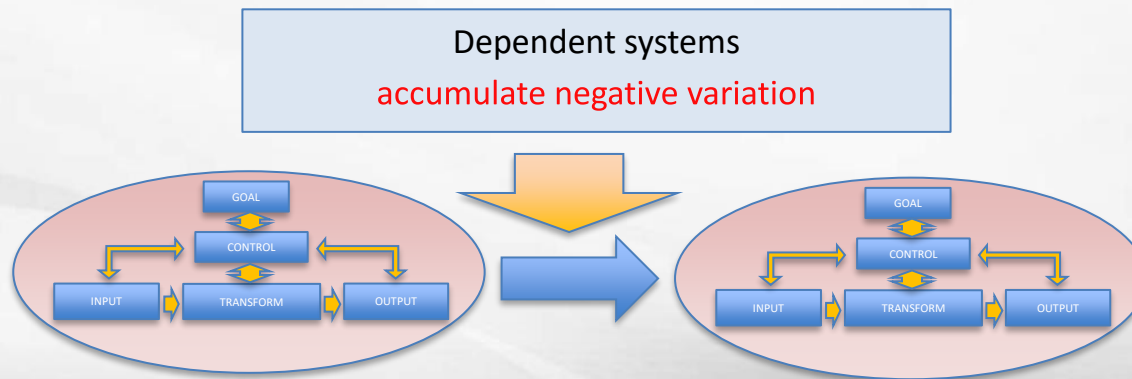


# Business Activity System



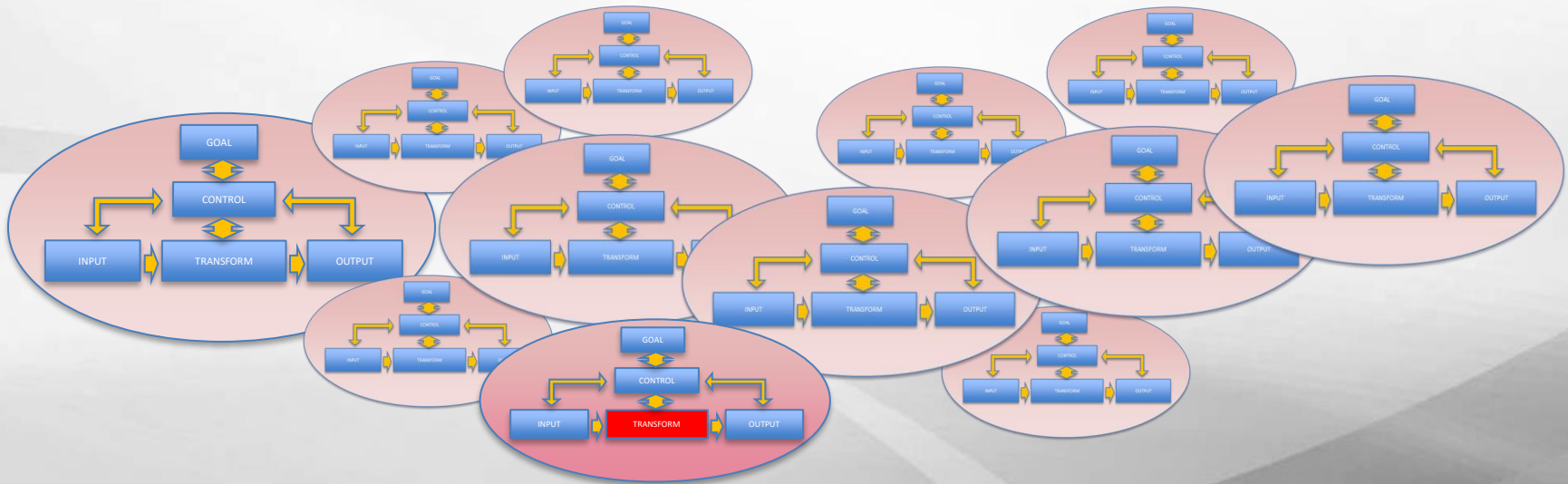


# System Dependency





# Constraining System





# Case Studies

- First Solar
- Zuma Energia
- Depcom Power

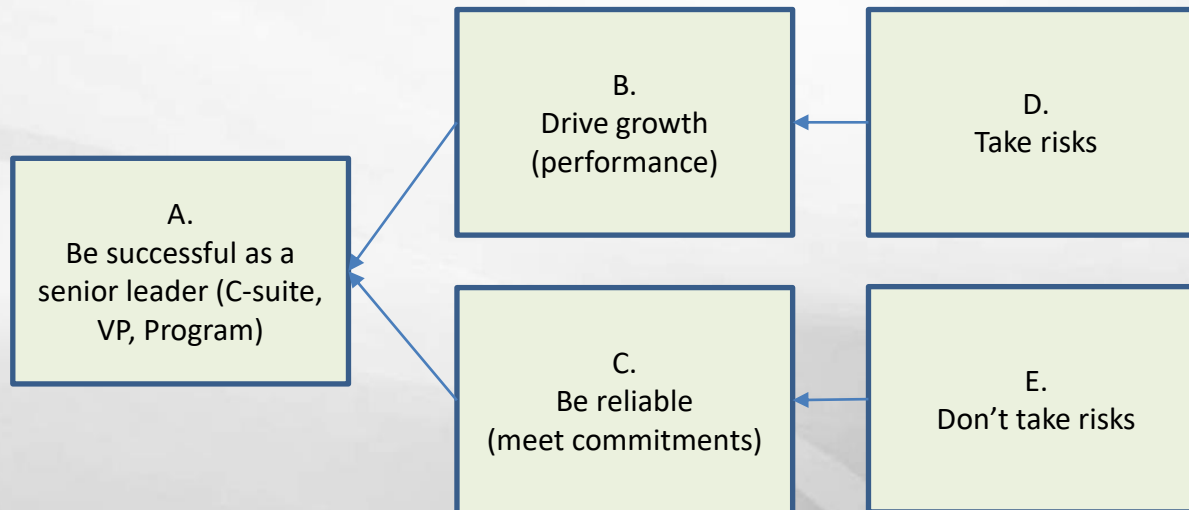


# TOC in Leadership

- The TOC Jonah Program is the only methodology to analyze, understand and manage system interdependency.
- It is the only methodology to crystallize, synchronize and control flow across systems.
- It is the only methodology capable of communicating a single focus across an organization.
- It is the only methodology able to meet all the new workplace leadership imperatives.

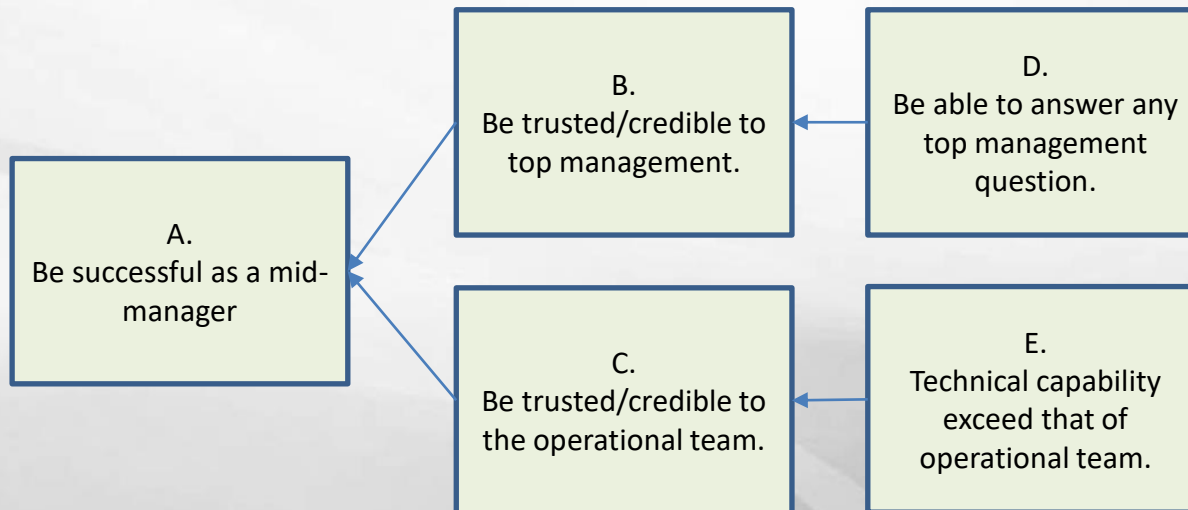


# Top Management Conflict



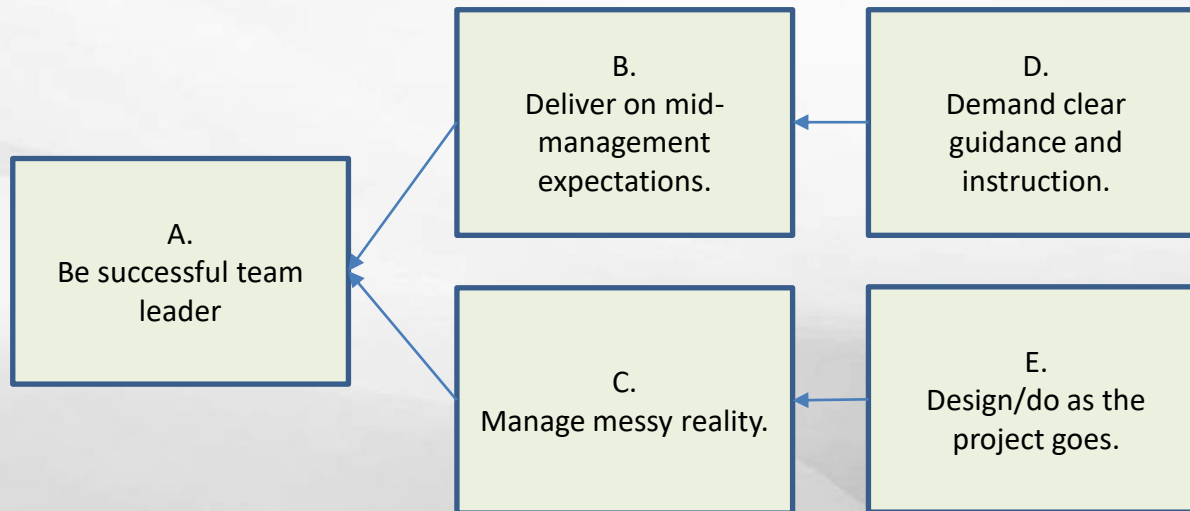


# Mid - Management Conflict.



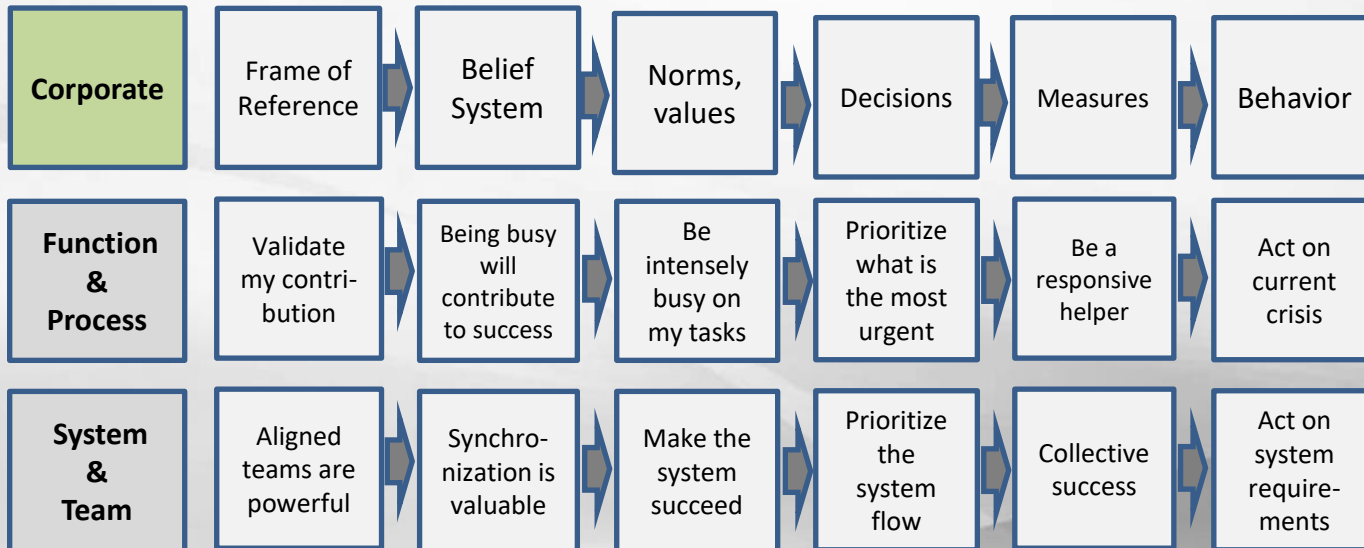


# Supervisor Conflict





# Effective Leadership







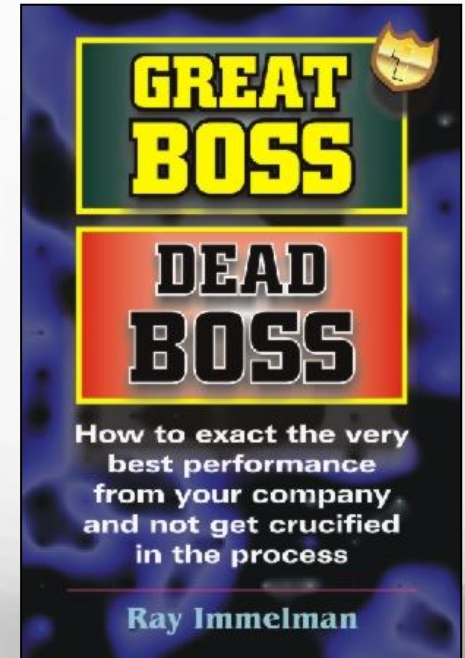
**Ray Immelman**

[www.akzeon.com](http://www.akzeon.com)

[rayimmelman@akzeon.com](mailto:rayimmelman@akzeon.com)



Rated by Forbes  
readers as one  
of the 30 best  
management  
books ever  
written.





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# Question & Answer Session

