

Gaining Employee Commitment To Organizational Change

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Ed Cripe has thirty years of experience helping companies effectively utilize their organizational and human resources. His experience includes senior consultant roles with Kaset International and McBer/Hay Group, plus corporate positions as director, training, organization development and quality for Ryder System and director, human resource consulting, training and organization development for the Bendix Corporation. He holds an M.B.A. degree in Personnel and Organizational Behavior from Indiana University.

THE ABSTRACT:

Organizations are like the weather in many parts of the country. If you don't like it, wait five minutes, it will change.

For better or for worse, organizations throughout the country are being reengineered, restructured and reorganized. Whether change occurs during growth or out of survival, one thing is certain — like the weather, organizations change.

Organizations can improve their "change efforts" by using some practical, common sense graphic metaphors and an organizational improvement model to insure employees' understanding of, and commitment to, the change process. In other words, companies can guarantee their own smooth sailing during the "change voyage".

THE SITUATION

Tradition can be an anchor for a business that should be sailing smoothly. And old navigational charts are no longer accurate in the rough economic waters of the 90's. Like many CEO's and senior managers, you may view your disappointing financial results as sharks in the water — a number of actions on your part may improve results and chase sharks away, but how confident are you that the sharks are gone for good?

One reason your confidence is low may be because you recognize a lack of organizational commitment to your vision for the company.

Vision needs to be shared with all employees so that each person can assess it in conjunction with his or her own vision. Naturally, before employees can assess a corporate vision they must understand it... and there lies the challenge.

The key to understanding begins with a sound theoretical model and a process for organizational improvement. This common sense framework can be used to increase performance levels by communicating your plans in an easy to understand format.

Finding a metaphor that employees relate to helps everyone better understand your vision, where they fit, and how their efforts will contribute to the success of the organization.

A MODEL FOR ORGANIZATIONAL IMPROVEMENT

Before applying the metaphor, let's look at a basic model. The model below is drawn from a number of sources and consists of three stages. Stage 1 shows the organization as a system with inputs (Business Requirements) and outputs (Business Results). The "gap" between the six areas listed on the right and left represents the existence of a problem.

For example, if your corporation expects it's operating divisions to produce earnings growth of 10% per year, and your division increased its earnings by only 2% last year, there is an obvious gap between requirements and results.

To bridge that gap, there must be a strategy (Stage 2). An organizational strategy is based on business requirements given the current business environment. The strategy should include elements that define the organization's reason for being. The strategy should also include the steps necessary in order to clarify the organization's values, vision and mission.

Next, in Stage 3, comes the design of various system components. These components include both human and business elements, that when combined, form a "sociotechnical"

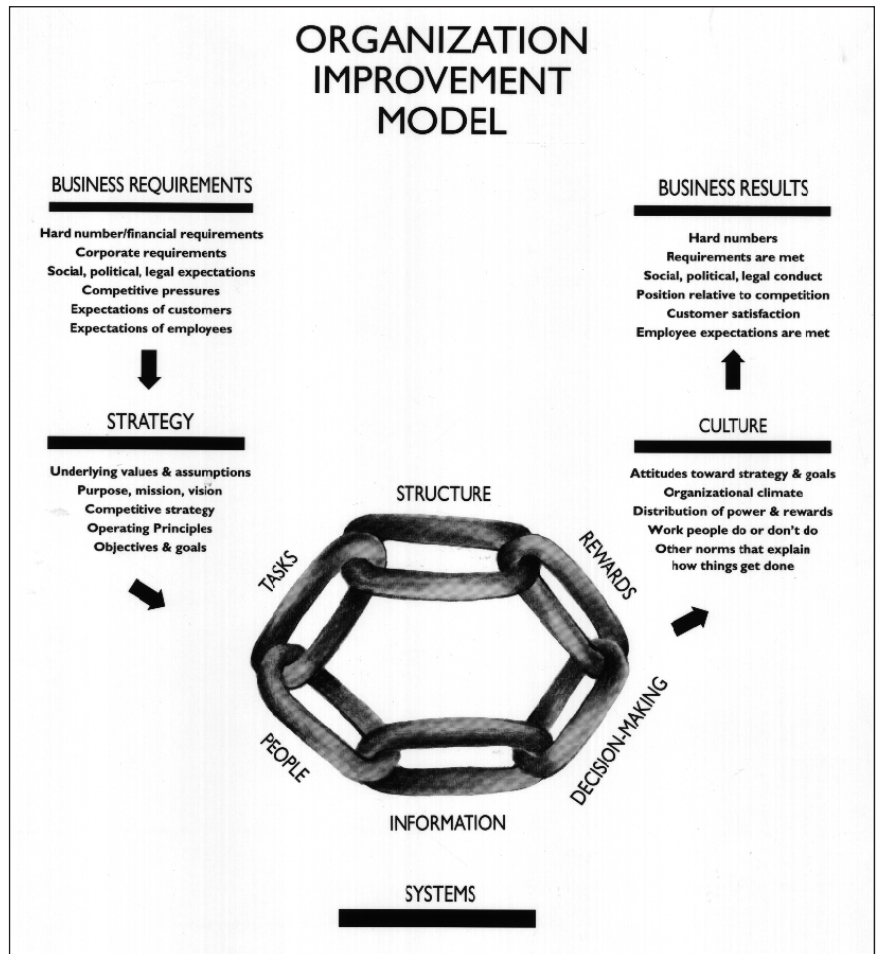


exhibit 1

system. The system includes selecting and developing employees who can do the job (human), and an information system that gives those employees the information they need to do their jobs well. Like dominoes, each system component has the potential to affect other components. The design of a high performing system requires patience, perseverance and skill (design and implementation approaches are discussed in the reference section of the article.)

Strategy and system elements help to create or influence organizational culture. Culture is the foundation of every

organization... the shared philosophies, ideologies, values, beliefs, expectations and attitudes that everything else in the organization is built upon. These interrelated qualities reveal a group's decision making and problem solving process on issues as diverse as a potential major acquisition to the annual end-of-the-year holiday party.

ASSESSMENT

Strategy plus systems plus culture equals business results (the output). To determine why gaps occur between actual results and requirements, you need data to identify

“Tradition
is what
you resort to
when you don’t
have the time
or money
to do it right.”

Kurt Herbert Adler

issues that are impacting the organization's performance. Then you can analyze the issues within the system's cause-and-effect chain by backtracking through the model.

For example, if the assessment process reveals that employees throughout the organization are confused or unclear about the organization's priorities you must ask, "what is the impact on business results?". The impact may be mediocre performance in several key areas. If a negative impact cannot be clearly identified,

don't devote time and energy to the issue.

Where a negative impact exists, the next question to ask is, why?, i.e. "Why are employees confused?" Working backward, assess each design element. You may determine one cause is that, while the strategy emphasizes customer service, employees are really rewarded for cost control.

Questions to ask at each stage of the design process for any key results area, i.e. service quality, profitability, etc. include the following:

- Is the result satisfactory?
- Which cultural values, assumptions and behaviors influence the results?
- Do decisions reflect knowledge, experience and a bias for action?

- Are desired behaviors rewarded or punished? Are undesired behaviors rewarded or punished?
- Is the information people need to carry out assigned tasks available?
- Does the structure permit the right people to work together on the tasks?
- Do people have the skills and knowledge to do the tasks?
- Are specific tasks clearly identified that will lead to achieving the strategy and goals?
- Do the strategy and goals ensure that current and future business requirements will be met?
- Are your vision and mission clear?
- Do they have the commitment of top management team?

For each question, a simple yes or no leads to a more in depth analysis of the sub-system. Again, asking "Why?" and "what's the impact on business results?" (or "So what?") can provide a fairly comprehensive assessment.

If a more thorough assessment and implementation is required, individuals and group interviews, observation, examination of current processes and systems, and survey instruments can be used.

This overview of organizational change can now be placed in a graphic metaphorical context that can be communicated throughout an organization.

METAPHORS FOR ORGANIZATIONAL CHANGE

Many different metaphors are helpful to describe organizational change. The key is a metaphor the group can relate to, so that the concepts and process come alive in terms that everyone can understand. A common metaphor that has worked for a number of groups is an exploration or expedition metaphor (exhibit 2).

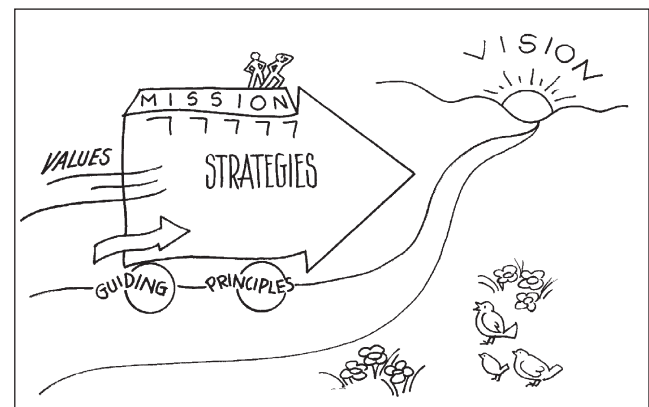


exhibit 2

STRATEGY

The Strategy component of the model is represented in the following way:

Values are sets of real beliefs (in teamwork, customer service, respect for each other) that determine practice standards. When changes begin to happen, leaders can inspire employees and move their organizations in new directions if the new direction is in agreement with their fundamental values. Employees' commitment and energy is fueled by the values that move the organization.

Guiding principles are a philosophy of operations derived from the values. The principles are a code of ethics for operating the business and as a criteria against which people can test future decisions. Guiding principles are like wheels; they roll the organization forward. If they are made explicit and communicated throughout the organization, they will drive organizational behavior. Companies, such as Marriott and Ryder, that are on the leading edge of service quality typically have guiding principles in employee involvement and empowerment, customer focus, quality, continuous improvement, community involvement and ethics.)

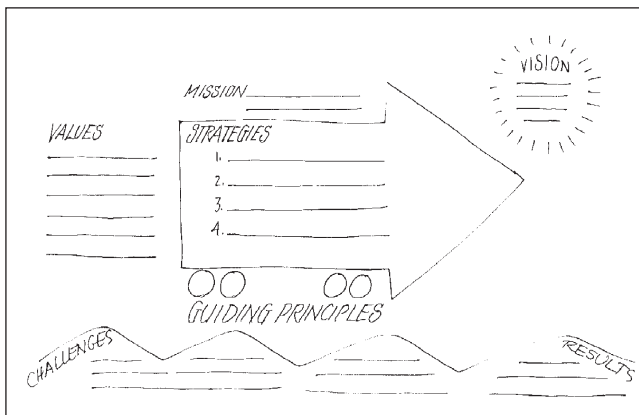


exhibit 3

Visions grow out of the natural conflict between today's reality and tomorrow's dream. Leaders must learn how to lift themselves above current realities and practice "helicopter thinking". By hovering over the entire landscape, they can get a broader view and begin to visualize the right things to do. Like explorer teams, they articulate these imaginings to each other and work to translate these visions into actual pictures and stories that can be shared widely. They also use what they "discover" each day as the basis for their next step toward the vision. When the vision is lived every day, the system begins to move purposefully from the current reality toward the vision. The vision mobilizes people

and creates enthusiasm, because it comes more from the heart than from the head. The vision makes you special and unique and sets you apart from your competition. Organizational visions should be articulated by those living the vision, rather than being handed down from the top, like Moses and the Ten Commandments.

The mission or purpose of an organization becomes a roof under which people gather. It captures in a concise way the foundation upon which the organization will be built. The mission describes the nature and scope of the work to be performed and communicates the business you are in. It is the basic reason for an organization's existence.

Strategies are the stories management tells about how the vision will be realized, similar to the stories explorers told around the campfire at night about how they were going to cover new territory the next day. They scan the environment, check and perhaps recalculate their bearings and come up with new scenarios for the trip ahead. Business leaders and teams do the same thing, shaping strategic "how to's" through teamwork processes that explicitly challenge assumptions, explore developing areas and identify core competencies.

Management teams have found it helpful to actually visualize the various aspects described above in one integrated framework (exhibit 3) that resonates with the exploration metaphor.

SYSTEMS

The Systems component can be represented by the six cylinders of the engine that propels our tough heavy-duty expedition vehicle on the road toward our vision (exhibit 4). Each

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cylinder, i.e. the structure, reward system, decision-making process, information flow, employee performance and specific job tasks, must be functioning well in order to get optimal performance out of our engine. One cylinder misfiring may not stop us from completing our trip, but it will surely slow us down. Two or more non performing cylinders may prevent us from completing our trip. All cylinders (system design elements) must be given constant attention in order to obtain maximum performance from our vehicle (the organization and it's strategy).

Creating and sustaining high performance requires constant attention to all parts of he system. The job is never done. Remember the circus performer who tries to get many plates spinning at the same time on sticks? (Exhibit 5) Just as he gets to the end and has all the plates spinning, several at the beginning of the line start to fall and he has to go back and get them spinning again. And so it is with organizational improvement. There is no end to the journey. The objective is to make progress toward your destination (your vision). But as you get closer to your vision, the environment (i.e. business requirements) will change and you will have to alter your vision and plans.

CULTURE

Culture can be represented by the weather and other environmental elements that impact our vehicle's operation and the progress of our expedition. We also contribute to the environment with the exhausts we emit from our vehicle. When our car is well maintained and driving on the right road, we help to create a positive environment.

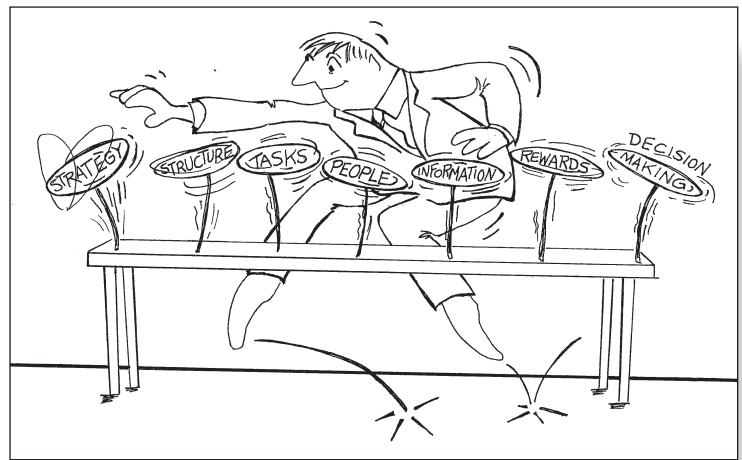


exhibit 5

MEASUREMENT

In order to maintain and improve performance, continuous measurement is required. Measurement is represented by the gauges on our instrument panel. Some of the indicators are more precise and easier to measure than others. Sales can be measured as accurately as the miles per hour our vehicle is traveling. Despite our best efforts, the measurement of employees' individual performance and potential is less reliable, but still important. Evaluations of performance based on "managing by walking around" observations and other intuitive insights are like the pilot's pre-flight "walk around" or a driver's "feel" for the performance of his or her car.

**AN APPLICATION:
IMPROVEMENT OF SERVICE QUALITY**

In recent years, many companies have decided to focus their organization change efforts on customer service and quality.

They have identified significant gaps between customer expectations and the customers' perceptions of the service they received. In one particular case, a company applied the organizational improvement model (exhibit 1) to determine that it's existing culture would not allow it to succeed in an increasingly dynamic and competitive environment. The existing culture was viewed as conservative, risk averse, bureaucratic, paternal, more concerned with costs and productivity than with

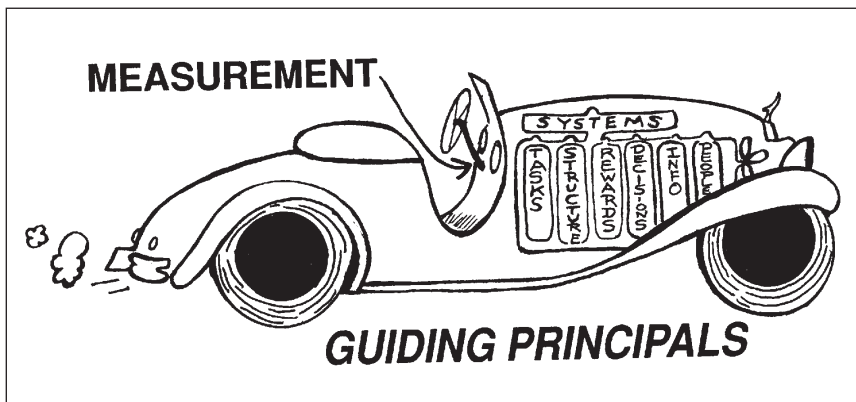


exhibit 4

“The existing culture was viewed as conservative, risk averse, bureaucratic, paternal, more concerned with costs and productivity than with customer satisfaction.”

customer satisfaction. Since service quality was the focus of this change effort, specific service quality systems were targeted in stage 3 of the assessment. A comprehensive survey instrument collected additional data on how employees viewed the effectiveness of existing systems. The assessment uncovered problems in areas that were creating the existing culture and which would have to be changed in order to improve both the culture and business results.

For example, information that people needed to provide good service to industrial customers was not readily available. Communications between departments was ineffective. Important pieces of information were not shared between departments for a variety of reasons, including a reward system based on individual rather

than team performance. Many managers had little experience in a dynamic competitive customer driven environment and lacked the skills and knowledge to behave differently. The emphasis on cost control hampered the company’s ability to invest in training and educating it’s workforce to succeed in a different business environment. These and other factors produced a vicious cycle that was difficult to break.

Looking at the whole picture from a systems point of view, it was easier to see the relationship of the various factors. In this case, one of the solutions involved redefining the strategy of the organization, given a new set of business requirements. The old vision and mission did not accurately reflect the changes that the CEO intuitively knew had to occur. Mixed and confused signals vibrated throughout the organizations causing important tasks to go unassigned and decision making to slow down. A new and clear strategy,

explained with the help of the graphic metaphor discussed above, was an important step in helping this company alter it’s culture.

Drastically changing a culture is a difficult, long term process. And like the circus performer with the spinning plates, it requires continual attention to all elements. Just when you think you have something under control, one element will become out of control. By establishing and maintaining standards flowing from a customer focused strategy, you can begin to empower people at all levels to help you become the kind of organization you want to become.

Using graphic conceptual tools to orient everyone in the organization to the work that has to be done is a powerful way to gain employee understanding and commitment. For leadership teams, visual mental models (with key words and pictures) provide common ground for dialogue and planning, and help communicate ideas and processes more effectively than words alone.

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