

Organization Change System

Executive Extract

Changing an organization's cultural capacity is a complex undertaking. It has taken us over a decade, but we've made it simple by creating one comprehensive system to do the job.

*CapacityWare*TM is an entirely new breed of program management software that incorporates all the features required to be successful. It is a system that is embraced by non-supervisory employees as a means of getting critical information into the hands of decision-makers, AND it is embraced by senior leadership as a system that collects information about the organization's capacity before it shows up on financial statements in less desirable ways. The bonus is the sophisticated "tracking" mechanisms that help leaders and senior managers understand whether or not the change initiative is on target.

A. The Organization Change System - *CapacityWare*TM

*CapacityWare*TM is both the software and literature that constitute an advanced Organization Change System. Many people are familiar with an "Employee Opinion Survey." And certainly *CapacityWare*TM contains a powerful survey module to satisfy this requirement. The system is much more than just a survey process. One of the most frustrating parts of employee survey administration is the lament that, "Nothing ever happens with the results - we don't see the results, and it's just a big waste of time and money!"

1. Uniqueness. This Organization Change System is different in several ways.

- a. First,** the system helps people in positions of responsibility find "difficult issues" at or close to their source that need attention and likely have gone unnoticed or unprioritized.
- b. Second,** the system helps leaders, managers, supervisors, and members design strategies and specific actions to make improvements in important areas.
- c. Third,** the system helps track performance that was designed to favorably impact improvement priorities to determine effectiveness.
- d. Fourth,** the system helps hold change agents accountable for necessary improvements, and estimates a bottom-line financial impact for the change effort.
- e. Fifth,** the system helps users evaluate overall results to determine if outcomes are being achieved.

2. Ten Stages. There are ten sequential "Stages" in the core cycle of this system. The success of each Stage has an influence on the subsequent Stages and on the achievement of overall outcomes. The core cycle Stages are:

- a. **Preliminary Orientations and Clarity Meetings.**
- b. **Instrument Package Development and Distribution.**
- c. **Data Collection, Data Entry, and Validation.**
- d. **Analysis, Synthesis, and Report Development.**
- e. **Organization Feedback and Team Recruitment.**
- f. **Coaching Lab and Planning Session.**
- g. **Team Formation and Team Culture Development.**
- h. **Development of Recommendation Design, and Approval or Adoption.**
- i. **Implementation and Measurement.**
- j. **Evaluation, Adjustment, and Closure.**

3. Making it Simple. Although the core process is simple and straightforward, it is highly complex solution to a complex set of organization problems. Yet the complexity is intentional since it must be an appropriate match for the enormous complexity of the contemporary workplace. Simplicity fails in the shadow of deeply embedded and largely intangible complexity that forms an organizations cultural capacity. This Organization Change System is up to the task! It has taken this high-complexity and simplified it so that change is programmatic.

There are five popular "myths" that often lead to organization change failures or shortfalls. We've addressed each of them below.

B. Who owns the culture anyway?

1. Myth of Ownership. There is a prevailing "myth" that an organization's culture and its capacity is a leadership, management, and supervisory domain. True, those in authority set the tone for culture and the resulting capacity, but they rarely know the full implications of this erroneous belief. The "truth" is that culture and capacity are deeply embedded within each relationship in the organization, and most, if not all, of the dysfunction is "hidden" from those in authority. Top leaders and managers will do little to emphasize the need to correct problems they do not believe exist - and the dysfunction grows.

We worked briefly with a brand new CEO who proclaimed, "I'll tell them what their cultural capacity is, they don't have to figure it out!" As hard as we tried, we could not convince him that his belief had a gaping hole in it. Within four months the Board of Directors had dismissed him, even though his contract was not even close to an end.

2. Involvement is the Key. Top leaders and managers can "tell" all they want, they can issue new policy decrees, they can decide to change processes, - but the important thing to remember is that decisions without prior earnest employee involvement may have no positive impact at all on cultural capacity. Involvement is critical because the majority of the

organizations culture - that part that comes in direct contact with customers - is often non-supervisory.

C. How did things get to be this way, and why are they so hard to change?

1. The Myth of Intentional Dysfunction. There is a "myth" among the non-supervisory members of an organization that those in authority are the sole cause of dysfunction and that "things are the way they are" intentionally. True, those in authority have had a hand in the dysfunction. But the greater "truth" is that non-supervisory members rarely exercise their prerogative to make improvements even when asked to do so because they believe the earnest invitation to be hollow. And so the "ownership" of dysfunction is so widely shared that few have the courage to tackle a solution.

In one organization we worked hard to displace the normal management-driven budget process with a highly involved front-line worker process. Management finally bought into it. When the "offer" to be involved by the front-line was made, the reaction was initially surprising, "That's management's job. I don't get paid to do budgeting." The organization stayed the course through one cycle, then returned to business as usual.

2. Anticipate Resistance to Change. Resistance to change comes from all levels in the organization. Typically, the desire for change is greater at the top and bottom of the chart, while the required shifts that must be adopted at the "middle" management level is more difficult to sell. The middle managers have to please both up and down the chart - a difficult job at best.

D. Why do we spend time, energy, and money on cultural capacity?

1. The Myth that "Knowing Better" leads to "Doing Better." There is a "myth" that smart, hardworking people, once informed of "issues that need attention" will make the necessary corrections to achieve better results in the long term. An organization's cultural capacity is about "habits" embedded within the context of hundreds or even thousands of relationships. The "myth" that smart, hardworking people can easily make a difference in the face of complex habits flies in the face of what we know to be true - habits are hard to break! It matters little what the habit - people continue to smoke, fail to exercise, consume substances that are not good for them, spend without wisdom, seek companionship from the wrong crowd, and even work at jobs that leave a void in ones life. Changing habits is not easy. Knowing what "ought to be" is no guarantee that it will come to pass.

One of our clients got annual feedback that confirmed that they had a problem with promotion practices. The workforce believed (as many do) that the promotion system was ripe with "favoritism." The "favoritism" issue was deep whereas the fairness of promotions was symptomatic. A team was formed, and the promotion process was revamped - a new promotion policy was published. Yet within months the old saw of "favoritism" was again rampant. Without a change in the cultural capacity holes in the process created by the new policy were easily found and used to promote "favorites."

That year the organization "lost" over \$1,000,000 and couldn't figure out why. The cost of low capacity is high indeed.

2. Ideal Capacity Evidence. The investment in developing "Ideal" cultural capacity is returned to the organization in the form of reduced costs and enhanced innovation. Lower levels of cultural capacity result in high turnover, absenteeism, recruiting difficulties, and lackluster performance. The closer to "Ideal" an organization gets the more these trends reverse.

E. Why won't cultural capacity stay high when we get it there?

1. The Myth that Capacity Development is a Separate Project. There is a "myth" that once things get better they will stay better. True, the momentum needed to achieve an improved cultural capacity will normally sustain that capacity. The "truth" however, is that this phenomena is short-lived. Once high capacity is achieved, it will begin to degrade immediately - slowly at first, then at an accelerated speed. When people slowly return to some of their previous habits (those habits that got them to lower capacity), the organization is on a roller coaster ride of highs and lows. The resources to sustain high capacity are more easily applied (and generally fewer) before they are needed than when momentum demands a higher stake to return to high capacity from an opposing direction. Turning the "project" on and off consumes more resources than sustaining a "program" of development and recovery on an ongoing basis.

In the early 1990's we worked with one local government agency that had about 800 employees when we started with them. Seven years later they were at a crest with 3,000 employees and a budget that had escalated about seven fold. Their Executive Director attributed much of the growth to our involvement in the first year of that growth period. He also believed that they had made a mistake by not continuing with us throughout that period as they had developed new problems associated with the growth. We engaged them again for about a year. And again they believed they "got it." Our engagement was discontinued. Their chief Trainer has contacted us with an admission that, "Third time's a charm! This time we'll get it right." Here we go again.

2. Getting it "Right." There is no one-time "right" to get. Keeping capacity high requires continuous work and usually different work than it took to get to the "Ideal" capacity high. At its greatest strength, cultural capacity is part of the weave in an organizations performance, not a decal to be applied later on.

F. Why can't people just be happy to have a job?

1. The Myth that Ideal Capacity is a yield from a "Happy" Workforce. There is a "myth" that improving cultural capacity is about "making employees happy." True, employees are happier when their leaders and managers respond to their concerns. But their happiness may be fleeting. The "truth" is that employees achieve higher levels of capacity when they are engaged as a full partner in the organizations significant decisions impacting them. Employees

working at high capacity (not to be confused with maximum output efficiency) are also happier - happiness is a byproduct, not the outcome.

A member of one of our client organizations had been "saved" in a downsizing initiative. His pay was the same and because he would retire within three years his pay never would decline. His old job had been abolished completely - a job that had defined his very professional contributions. For almost three years he not only drained the work group to which he was assigned, but also prevented several well qualified candidates from moving into his position, an action that was enviable. Without his involvement in the decisions that impacted him so adversely the organization lost a valuable contributor as well as the potential for growth and excitement that might have otherwise prevailed.

2. Happiness is a By-product of Ideal Capacity. People want to put the best of themselves into their work. When they get to do that the organization benefits from dramatic results on many fronts. Involvement is the key, participation is more likely to lead to high capacity and happiness than just "getting your way."

So, with these few dangerous "myths" in the minds of change agents, how does *CapacityWare*TM (the Organization Change System that includes a world-class software package, tailored literature, and a distinctive core process) help people overcome a few of the more significant dangers of organizational change? Realistically, in three ways: software support, a comprehensive set of tailored literature, and a distinctive set of core processes.

G. The Software Package.

1. Integrated Software. *CapacityWare*TM software is an enterprise-level package linked with MS Office® to provide extraordinary easy of operation for the user. It can be configured in several ways to meet the needs of almost any client organization.

2. Live Data. The advanced demographic modules allow users to slice and dice the survey and inventory results to suit their needs. Comparisons can easily be made, for example between managers, supervisors and non-managers. The advanced indexing module allows for totally unique views not available through any other software source.

3. Return-on-Investment Calculations. Return-on-investment calculations are automatic so that users instantly understand the cost of maintaining the status quo. With the tremendous sensitivity to financial consideration, any software package that ignores the financial implications of developing cultural capacity will fall short by comparison.

4. Variety of Tailored Configurations. In an optimum installation configuration, users can link with other users to create and sustain the level of synergy required to overcome low capacity. Change management information is not isolated in this configuration, but rather shared openly among those having a genuine interest in making improvements stick.

5. Program Management Accountability Features. The software allows people at all levels to be held accountable for change, not just managers and supervisors, but those on the front-line of change as well. Involvement is key to progress, and *CapacityWare*TM tracks involvement.

H. The Set of Tailored Literature.

1. Best Practices. Literature available to users comes in two ways: embedded in the software, and ancillary to the event activity. Over 10,000 "Best Practice" extracts are embedded in the software and available to help anyone wanting to know the answer to a simple question, "So, what can I do to improve the quality of work life in my area?"

2. Comprehensive Literature. Ancillary literature, like this document, are available as a link to some aspect of the core process. This literature provides a deeper understanding or ancillary guidance required for more complex event activities. Like a "time released" capsule, it serves up appropriate literature when it is needed or on demand. Because the Organization Change System is complex not all of it must be understood completely before a change agent can begin using it with confidence.

3. Self-correcting. This Organization Change System is sustained as part of a genuine learning organization. Every activity is apt to cause an improvement in literature or other guidance. As lessons are learned they are incorporated into this system so that everyone using it benefits.

I. The Distinctive 10-Stage Core Cycle.

1. Data Collection. The traditional Employee Opinion Survey is constructed by management to determine employee opinions about a variety of topics of interest to management. This core process takes a novel approach. It is created by non-supervisory employees on topics of interest to employees to assure employees that management will hear their concerns. This is entirely different!

2. Widely Distributed Data Results. Results of nearly all traditional surveys are delivered to management for their consideration. The depth and breadth of the workforce rarely gets to see the results in other than a passing remark in the monthly or quarterly newsletter. If improvements are made based on the survey results they are all-but-never linked to the original survey. This core process turns this approach upside down. Everyone gets to see all the survey results - the Executive Summary is delivered to everyone! Everyone gets to compare their own results with a composite of everyone else's results, and gets to participate on follow-through teams, when selected.

3. Embedded WorkStyle Preference Technology. The survey results are complimented by individual work style preference inventories (The RGB). This allows an immediate follow-on activity that isolates relationship "chemistry" between coworkers as a major cause of organizational dissatisfaction. This methodology also provides concrete event designs that can be used to make quick turn-around improvements.

4. Systemic Cycle - Not a Process. The core cycle is a comprehensive loop that continues to make improvements a way of organizational life. The cycle does not stop at the data collection and reporting Stage and hope that the organization continues - it assumes that the organization will continue!