

Managing Information & Human Performance

Strategies and
Methods for
Knowing Your
Workforce and
Organization

Gary English, Ph.D.



About the Author

Gary English, PhD is chief consultant for The ManaGenuity Group, a consulting firm helping managers optimize workforce and organizational performance through applied behavioral principles. Combining years of experience in executive management, consulting, and academic study, Dr. English develops practical management systems to optimize work processes and performance management.



Dr. English's clients have included such organizations as Owens-Illinois, BHP Petroleum, and Goodwill Industries. He is an international speaker and workshop presenter, and has contributed to numerous journals such as *Management Review*, *Quality Digest*, *Journal of Commercial Lending*, *Training and Development*, *Journal of Performance Improvement*, *Manchester Review*, *Public Management*, and *Public Administrative Review*.

His book, *Phoenix with the Ashes* (St. Lucie Press, 1998), provides the theoretical basis for his rationality approach to managerial leadership. His *Solving the People Puzzle* (HRD Press, 2001), and now *Managing Information and Human Performance* shows how to apply these innovative principles for more effective organizational and workforce management.

Dr. English can be contacted at 615/269-7923 or garyenglish@comcast.net.

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Frugality without creativity is deprivation.

Amy Dacyszyn

Introduction

As a consultant I have had opportunities to study organizations of every stripe: manufacturing, banking, nonprofit, and governmental. In most every case the first job is to find out what was going on in the organization and then tell management. While advising and technical support are a consultant's stock and trade, the greatest service may well be informing management about its own operation.

Managers are typically bright people who, with good information are likely to make good decisions and bring these decisions to operational fruition. Without good information, however, even the brightest people do seemingly dumb things. "Don't they (management) know what's going on here?" ask the frustrated employees. In many cases, the answer is "no".

Common sense tells us and studies confirm two elementary rules of management:

1. What happens inside your organization determines what you will be able to do outside.
2. You cannot manage well when you do not know what is going on.

The irony is that there is no reason for management not to be familiar with its own operation. It is a matter of will not cost, system not strain.

This book is an effort to provide management with a cost-effective rationale, guidance, and methods for ensuring an appropriate and readily available stream of information about its workforce and organization. Armed with good knowledge, management can utilize its strengths and deal with its weaknesses to better meet the opportunities and challenges of its mission and operating environment.

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Chapter One:

Managing and Organizational Knowledge

Knowledge is power.

Sir Francis Bacon



Every football play is designed to score a touchdown if executed properly. Most plays, however, fail to accomplish their goals - people make mistakes, there are miscues in coordination, and the competition does its best to make sure things don't work as expected. That seems a lot like management plans.

The winning secret

Good coaches, like good managers, know that success in the field means utilizing all their resources to the best advantage. No one can have all the best people, but while having good people is important, the critical factor is how the people you have work together. It is the organizational environment that allows people to be successful. A good example is the Tampa Bay Buccaneers, a team that had losing seasons with three quarterbacks who left and won Super Bowls the very next year with another new team!*

Managers often try to improve their competitive abilities through equipment and technology, but equipment won't win many ball games or market contests. Equipment, no matter how sophisticated, is only a tool in the hands of the people who operate it. A good coach would never blame the ball for a fumble.

Vince Lombardi offered to give any opposing coach his playbook. The trick, he said, was not in the plays but in their execution. Lombardi is also the one who said: "Practice does not make perfect; *perfect practice* makes perfect." Lombardi knew, as management gurus now preach, that the key to successful competition

* Doug Williams (Washington Redskins), Steve Young (San Francisco Forty-Niners), and Trent Dilfer (Baltimore Ravens).

is not people alone, but excellence of execution. It is in having an organization that gets the best from what it has.

That was the secret of Coach Bear Bryant of the University of Alabama. In a study of Bryant's coaching strategy and techniques, researcher Thomas Gilbert found little lecturing, hollering, and hat throwing, but a great deal of observing, videotaping, and keeping charts of players' actions. A player who was observed making a consistent error was shown the correct way to do it and practiced until he had it right (Gilbert, 1988).

A good coach must know the condition of the team and how the players are performing at all times. Likewise, a manager must have good knowledge of organizational conditions, capabilities, and deficiencies. The Delphic Oracle advised, "Know thyself." The management version is "Know thy organization." The secret turns out to be no secret at all, just common sense. If you don't know how your people are doing, you don't know how they will perform when it counts. And in business it always counts.

Managing from the inside out

Management, like coaching, is the art of turning information into action. The quality, timeliness, and appropriateness of that information will determine the effectiveness of the action. Coaches and managers need to know about the playing field (market), competition, and their own team. Poor information in any of these areas can lead to failure. Managers often know about their markets and competition; their information about their own organizations and workforce is often lacking or wrong. Imagine a coach in that position.

The collection of organizational information, an on-going part of good coaching, is mostly a special occasion in management. With rare exception, a management consultant's first job is to assess the organization and, also with rare exception, management is surprised by the findings.

Poor information about the organization means that management initiatives in customer service, quality, productivity, etc. are likely to fall short of hopes. Indeed, poorly conceived and implemented change initiatives, stemming from poor or inadequate information, are more likely to bring more disruption and

problems than improvements. Increased costs, union organizing efforts, and operational failures rising from efforts at improvement are a common experience.

The law of unintended consequences is especially strong when people are groping in the dark. Managers with poor information about their own operations live in a world of frequent, and not always pleasant, surprises. To an uninformed manager, the organization can seem less a handy and effective tool for success than a confounding and even threatening burden. Internal matters are seen as pesky "problems" and bothersome aberrations.

In my years as a manager and consultant, I have observed that most organizations get in trouble because the right information does not get to the right place in the right form and at the right time. It has been the Achilles Heel of most market initiatives and operational improvement efforts. It is also a critical factor in most problems with EEO, OSHA, and EPA.

Studies confirm these personal observations. A survey published by *Management Review* found that "measurement-managed" organizations outperformed others by 65-76% and were financially ranked in the top third of their industry. Ninety-seven percent of these same companies "reported success in a major change effort." The study also found that "*employee measurement is the biggest single characteristic that separates successful from less successful firms*" (Emphasis added).

The irony is that the information needed by management is probably already somewhere in the organization and has been known by more than a few people for quite some time. There is hardly a catastrophe that could not have been prevented had available information reached the right person at the right time.

Prevalent problem

Consider the director of a nursing home who was concerned about growing union activity in the industry. "You know," she mused, "sometimes I wish I knew what our employees were thinking." Indeed she should, and she has a lot of company. Ignorance about one's organization seems more the norm than the exception. Consider just a couple of examples:

A large manufacturing facility conducted an employee survey. One question concerned alcohol and drug use on the job. Upper management felt there was very little if any such use. Front line supervisors said there was some but it was not significant. Line employees, however, responded that there was "quite a bit" of alcohol and drug use at the plant.

Even though strict directives and rigorous guidelines had been issued after each of the two former occurrences, and the company faced a heavy fine and the managers personal criminal liabilities, a major food processing company was cited by the EPA a *third time* for dumping organic materials into a bay.

The condition is pervasive. One study of business organizations found that 57% of staff who were aware of operational problems thought management did not know what type of behavior goes on in the company. (*Fast Company*, 2000).

Organization as information provider

An organization is not only the converter of information into action--it also delivers the mail. The workforce in dealing with customers, product and service, and even regulatory problems is the organization's antenna for detecting opportunities for improvement and new products and services. Most of what managers "know" about the *outside* comes from the *inside*, i.e. through organizational channels.

The organization provides management with most of the information it gets, at least when things are working properly. As many a manager has learned with regret, much of what a manager "knows" is too often insufficient, if not outright wrong, because critical information has arrived too little, too late, diverted, distorted, obscured, or prevented by organizational channels. Groping in the dark is a tough way to manage; control without knowledge is a contradiction.

A critical challenge for managers today is to build an organization that focuses on customers and performs reliably, yet is innovative and responsive to market challenges. An organization can do so when managers are in control and can ensure outcomes. When they are not, poor quality, resistance to change, lack of

commitment to strategic direction, and a host of human resource problems such as turnover, lack of motivation, misdirected reward systems are sure to occur.

Responsible managers will not tolerate these kinds of costly problems. Nonetheless, if managers do not know about them, lack the information needed to fix them, do not fully appreciate their seriousness, choose to ignore them, or fail to bring them to the attention of those who can or will fix them, the enterprise will suffer. It would help management to know that 1/3 of the workforce plans to leave within two years or that 60% of your employees are dissatisfied with their jobs (Leonard 2000). Workforce performance and retention are two of the most critical issues management faces.

Still, it is rare to find management with good information on these issues. Without it management finds itself reacting like a loutish boxer who, when hit in the head covers that, when hit in the stomach covers that, and is always one punch too late.

On the other hand, good knowledge about what is going on inside an organization allows managers to turn problems into opportunity, uncertainty into flexibility, and anxiety into energy.

Shifting balance of power

The old levers of power--e.g. restrictions of funds, staff, information, and equipment--are much less effective in an organization where management seeks to encourage commitment, innovation, responsiveness, and adaptability. Pulling the traditional power levers is slow and crude and, consequently, often more disruptive and obstructionist than operationally effective.

Management's control efforts must be timely, focused, and fitting; in turn, they require timely, focused, and fitting knowledge. That kind of knowledge, however, is increasingly spread throughout the organization and often hidden from management for several reasons:

1. The *increased specialization* of work requires management to ask specialists what they can or should do rather than just ordering them to do it.

2. The knowledge of specialties and the *specialties themselves change* so quickly that what is important or even relevant is not entirely clear to any single person or group.
3. Increased specialization, together with competition for good staff, has generated *expectations among the workforce* for more freedom and opportunities for work satisfaction.
4. Products, services, and their support are becoming *increasingly sophisticated*. For example, a new Mercedes-Benz S-Class comes with more computer power than the original Boeing 747.
5. Customers require services that are increasingly *less organizational and more personal*.
6. Paradoxically, technology has *depersonalized* customer service so much that the customer often has no way to communicate with management (or even to a real person) or, conversely, for management to get information from customers.
7. The operation itself has become more dispersed, even global. In a world of "knowledge workers" it is difficult for management to get a sense of the "distributed mind" of the organization (Duncan, 1998).

Technology is making organizations increasingly porous and polymorphic. The internet, for example, has given rise to such "virtual" organizations as the Microsoft Alumni Network, where former Microsoft employees keep in touch with each other and current employees with seamless ease. People can bypass the front desk and "flip" through an organization for direct contact with people and departments.

The internet offers gossip sites, places to report your boss' bad antics or questionable company practices, and even a place to learn executive and professional salaries (Mieszkowski, 1999, Cohen, 2000). Internet links among and between employees and customers have become so pervasive and so "real

time” that management today cannot afford to be uninformed about organizational activities and still hope for effective control.

Traditional avenues of decision-making have become more like gossamer web than cables, rendering management’s ability to control its organization more nebulous. The traditional approach of a hierarchy, surveillance, and pressure by bosses over workers has become too ineffectual for today’s workplace, work pace, and market conditions.

The problem is not a dearth of information; managers today are swamped with it. More information has been produced in the past 30 years than in the previous 5,000, a weekday edition of *The New York Times* contains more information than an average 17th-century person would come across in a lifetime, and the information supply doubles every 5 years (Wurman, 2000). The problem is having the right information available at the right time and in a usable form.

Emperor's clothes

Most have heard the fable an emperor whose tailor made an "invisible suit" that could be seen only by "the most worthy" people. The emperor and everyone else claimed to see the suit, lest they be thought unworthy. The sham worked until a young boy saw the emperor ride by and said, "Look, the emperor has no clothes!" The collective fallacy collapsed to the chagrin of most everyone.

Management has its own versions of this story. Management launches a new "improvement" initiative and everyone claims to be on board, but a trip through the shop floor or cubicles will reveal the sham. People are doing what they have always done but clothing it in new buzzwords. Management that undertakes an initiative without a system to provide a flow of good information about its operation could find itself naked in a cold wind.

Traditional management focuses on such areas such as budget, training or equipment purchases. The organization and its resources are collapsed around whatever is the boss’s particular interest at the time. That is why the results of change management can be so disappointing.

Modern management, on the other hand, seeks to optimize the organization by

achieving margins of excellence in all critical areas throughout the organization. A learning organization adjusts to thousands of new situations and continually shapes its ability to respond. By definition it must be highly self-managed.

Microsoft, in many ways a model for modern business organization, has been called "amoeba-like" in its ability to respond and adapt to the market. Intel's Andy Grove observed that Microsoft's strength is its internal communications that allow it to respond "like antibodies, approaching a problem from all different levels of the company very, very fast" (Schlender, 1996). It has a high degree of effective internal communication and information flow.

Taking Control

Managers do not control what people do. They can only influence how people *think* about what they do, and what the workforce decides to do is what the organization ultimately delivers to customers. That is why an investment in information about workforce thinking pays off:

An American Society for Quality survey of its membership's use of people metrics (quantified measures) found that the five-year return of investment on companies that used such measures was half again that of non-measuring companies. It further found that industry leaders were twice as likely to have people measure as the others. The bad news, unless you are a competitor, is that only 30% of the companies surveyed used people metrics in its strategic management (Morgan and Schiemann, 1999).

Another study found that "40 percent to 50 percent of the fluctuations in profits are attributable to the fluctuations in employee opinion" (Krohe, 1999). Still another found similar results:

Fifty-two percent of managers from measurement-managed companies reported employees in their organization generally were unafraid to take risks to accomplish their objectives, compared with only 22 percent of the non-measurement-managed companies...[and] that 97 percent reported success with their organizational change efforts. (Lingle and Shiemann, 1996).

There are many sensible management strategies, but none is a magic elixir. Each approach has its benefits and limitations. All of these plans, however, require that management has good knowledge of what is going on in the organization and the minds of the workforce.

Management information about its own workforce and organization (think: team) is not just a requirement; it is a source of power. Information provides options and makes predictions more reliable. The job of management is not to keep score but to *make* the score, to manage things so that desired outcomes are optimally assured.

The critical ingredient for ensuring outcomes is human performance--a function of human thought, abilities, and circumstances--i.e. the condition of the workforce and organization. Management power to ensure desired outcomes, therefore, requires two kinds of critical information. What is *happening* at any time is, of course, critical. No less critical are the conditions that will affect what is *likely to happen*.

This information is essential; it should always be on-call in suitable form when and where it is needed. If one appreciates that the only sustainable competitive advantage is the ability of the organization to respond and perform under changing market conditions, the critical importance of information about organizational and workforce conditions is clear and compelling.

Research and the information it generates are not a substitute for a perceptive mind and courageous action. These qualities will always be critical for good management. Still, even the best and brightest can only act as well as available information affords. Fortunately, the techniques and methods for gathering, processing, and making information available are simple, relatively easy, and relatively inexpensive.

Strategy of this book

The purpose of this book is to provide managers a guide for establishing ways to ensure an on-going stream of critical information about their organization and workforce. The book is divided into three parts:

Information and Quality of Management. We begin by reviewing the importance of internal information in achieving competitive success (Chapter 1) and exploring some reasons for the importance of information in effective and predictable organizational management, and analyzing the role of information in the quality of management thought (Chapter 2). Chapter 3 looks at the various management approaches and the kinds of information they look for.

Chapter 4 introduces *organizational rationality* as a common element in management approaches and a requirement for their success, and Chapter 5 shows how management can determine its own information needs and strategies. Chapter 6 suggests ways to use consultants effectively.

Information Arts and Science. Whether undertaking an in-house study or using outside resources, managers need to understand the options and comparative benefits of the various ways of gathering internal information. Chapter 7 provides an overview of the most common methods of gathering information including process review (Chapter 8), and Chapter 9 addresses ways to ask the right questions.

Chapter 10 discusses ways to administer a survey, and Chapter 11 discusses how to analyze the various data to find areas to improve internal conditions and operations.

Managing Information. For management to enjoy an on-going supply of good internal information, there must be management systems to generate, gather, store, and distribute the information such as an *organizational information utility*, addressed in Chapter 12. Chapter 13 describes how such a utility could be organized and used for performance improvement. Finally, Chapter 14 discusses how managers can overcome stumbling blocks to enjoying an information advantage.



*You think you understand the situation
but what you don't understand
is that the situation has changed*

Putnam Investment advertisement

Chapter Two:

Information and the Management Mind

*The problem with folks ain't so much their ignorance
its knowing so much that just ain't so*

Josh Billings



Good input, good output. Better information; better decisions. These points seem so obvious that it is easy to undervalue their importance as a management responsibility. Operating with inadequate information is such a common practice that it has become a virtue in many management cultures. “Of course, it would be nice to have more information, *but....*” is a common prelude to moving blindly ahead. Nonetheless, whether operating by the seat of the pants as a matter of cultural preference or situational necessity, having good information can elevate the locus of one's thinking.

Poor information is worse than just “garbage in.” The mind is not a neutral processor like a computer; it doesn't “crunch data” and “spit out” results. *Data* becomes *information* when it has some “meaning” for us, i.e., when it fits into the mosaic each of us has constructed in our mind, our internal picture of the world around us and our place in it.

Reasoning is a creative process, organized around concepts, theories, and paradigms. Information is not merely an “input;” it is the bricks of our thoughts, held together by the mortar of our reasoning, and formed in the pattern of our concepts. The quality of information “in,” therefore, is essential to the quality of our thoughts and decisions.

Illusions and delusions

Our ability to imagine and reason is the glory of our species, but it is a two-edged sword. When our logic is improperly framed, it leads us to some strange places. Logic can get us lost in fantasy land when it is closed off from any means to disprove it, allowing it to circle around and prove itself. Freud's theory that adult

problems are the result of repressed childhood sexual experiences is a good example. When a person denies having any such thoughts - aha, there's the proof of the repression!

Our logic more often serves to rationalize and justify our predispositions than to reach conclusions. Why did re-engineering seem to “fail”? The reason, its advocates argued, was management's lack of commitment and failure to go far enough. Despite many a company's having put thousands of people in the street and half-destroying its organization in the process, the problem was somehow a “lack of commitment;” their failure was “proof.”

Often we prefer our myths to facts. Many of our decisions are based on notions of risk that are psychological rather than factual, even though ample data is available. People are afraid to fly even though the risk of being killed by the family dog is many times higher than being a fatality in an airplane accident. We prefer to drive even though more people are killed on highways every three months than in the entire history of aviation.

Managers are seen as “more important” than “labor,” even though a manager can be gone for a week-long retreat with little effect on operations while a skilled machine operator's absence for half a day's training can shut down a plant. We will, indeed, dismiss information if it conflicts with our preferences, such as the smoker who shrugs away medical statistics with “no one lives forever.”

Once away from good information it is easy to get away from good thinking. Here is an example:

A newly elected county tax collector and his key managers wanted to recruit agency clerks who were “innovative problem-solvers” and would “go the extra mile to satisfy customers.” I asked the managers to select several present clerks they considered to be top performers.

When psychological assessments profiled the selected clerks, results showed that the managers actually preferred people who were quite conventional, non-innovative, meticulous, and inclined to follow orders without question. “Out of the box” thinkers were the last thing they wanted. The managers literally did not know their own minds.

The higher one goes in an organization, or at least the further one gets from “hands on” work, the more abstract the realm of work and the easier it is to lose touch with reality. Technical workers are grounded in the practical realities of their daily activities. Managers, no matter how “practical” they think they are, operate mostly with concepts such as costs, staffing, marketing, etc. The higher they are in an organization, the more abstract and distant their worlds are from the true knowledge of the organization.

Inappropriate paradigms

Managers are glibly advised to “shift their paradigms,” as if shifting were an easy or simple thing to do. Sometimes it is, such as with dress codes or new product directions. *Fundamental paradigms*, however, are often quite resistant to change or even to fully understand. Even though fundamental paradigms are powerful in effect, they are “givens” that operate beneath our level of awareness.

An example of a fundamental paradigm is our concept of time. It factors into just about every conscious act we undertake and we accept the general cultural understanding of it as a given. Time is actually a social invention, a fiction which was fed to us along with mother's milk. Most Americans think themselves moving forward into the future and back into the past. The Quechua Indians of Peru, on the other hand, believe that the future overtakes them from behind. Kierkegaard said dealing with life is difficult for us because we meet challenges facing forward but gain understanding looking backward. These various analogies are the mental “realities” we use to get some sense of this rather vague fundamental paradigm we call “time.”

Such paradigms, even if we are aware of them, are not so easily changed. Management paradigms, what Tom Peters (1986) has called our “working theories.” This cluster of paradigms--what “is,” how it works, what we can likely expect, what is important, and, in general, what the world is all about--also resists change. This book, if successful, would “shift your paradigm” from managing with minimum workforce and organizational information to expecting that good information be available to all those who need it at a suitable time and in a useful form.

The prevailing paradigm for an organization is a mechanistic one, i.e. the organization as a machine with the head engineer “pulling levers” and “pushing the right buttons,” with all the “bells and whistles,” etc. Despite the lamentations and urging of most every management guru, mechanistic thinking is such a fundamental part of our intellectual make up that it is unlikely to change significantly any time soon. A mechanistic view of an organization, like a “flat earth” paradigm of the world, would work for most of us much of the time. Like the “flat earth” theory, however, a mechanistic view of an organization can be severely limiting.

For example, managers who think in mechanistic terms are less inclined to worry about organizational and workforce information. It doesn't take a lot of information to understand a mechanical operation; most of us drive a very complicated one to work every day, and hardly look at the instrument panel. If there is a “noise” somewhere, there is a problem-but if all seems to be quite and smooth, everything is okay.

A paradigm that sees an organization as a complex of dynamic, behavioral interactions, on the other hand, inherently expects tension, ambiguity, and constant change. Such a condition requires constant observation and an array of comprehensive, timely, and accurate information. Those managers with more sophisticated (and realistic) understandings of organizations also have more sophisticated understandings of the information required for effective organizational management.

Stories instead of information

When there is little good information about what people are actually thinking and doing, managers often explain the state of their organization with stories and anecdotes. Stories, while often insightful, are never objective. They are rarely exploratory but rather serve to reinforce and confirm a point of view that is already held. Stories are told for a number of reasons, but there is usually a point to be made, such as putting the storyteller in a good light. They are almost always an effort to convince, not to inform.

Stories, even a single anecdote can substitute for good analysis. And once a story is told, unless there is data or someone else has a story with a different

conclusion, the analysis is over. We now “know” the situation. Read any official announcement of organizational policy (“It has come to our attention...”) and you will find stories, fragments of stories, or story-like justification. Many policies are designed to prevent certain stories from reoccurring.

A story might remind others of their own stories, and as each person tries to participate through some related tale (“Well, when I was walking through the lobby...”), participants evolve an intuitive sense about the situation. Or, perhaps, someone provides a story that seems to go against the point being made (“I’m not so sure, because just the other day....”). The stories compound as evidence and arguments for one position or another.

Stories, like lawyer’s arguments, cannot be aggregated or compared except in the most tenuous and indulgent way. Only data can be effectively accumulated and compared. Information can be checked by others and proved, if not true, at least to be false. Stories, on the other hand, are always “smoke” indicating there must be a “fire” somewhere, and the boss’s stories seem to have the most credence.

Flawed memories

We like to think of our memory as playing “old tapes” or video clips,” mostly because memories take the form of stories or, more accurately, vignettes. The memory process is more a collage or puzzle than a logical sequence. Our mind assembles a mosaic of memories depending on the circumstances that triggered the memory. The picture will be different each time as we realign, highlight, and blend events, fill in gaps, and push back some aspects to meet the needs of the time of our recollection.

Reconstruct would be a better term than *recall* (Dawes, 2001). Memory is more akin to imagination than rational thought. Much of our memory is implicit, operating beneath the conscious level but affecting our thinking nonetheless. For example, we may meet a person for the first time yet have a negative or positive feeling about him because he resembles someone we disliked or liked in the past. The past experience, however, is not consciously recalled, only the affected feeling.

Conviction is not truth, and being convinced of the soundness of one's recollections has nothing to do with their actuality. The clerk who rented Timothy McVeigh the truck used to blow up the federal building in Oklahoma City clearly remembered the man who accompanied McVeigh. The rental company's own records showed that the man had actually rented a truck the day before McVeigh. In the clerk's mind, however, these two events were merged.

Not only does the present shape recalled events, but memory can also be heavily influenced by other people. Studies have shown that people's memories will change after being told another version of an event they actually witnessed. People can be led into “remembering” events that never happened at all.

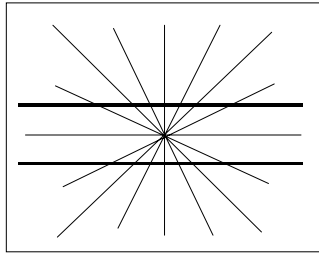
Trying to accurately remember an event you have witnessed is elusive enough, but it becomes even more so when you are a part of the event. Not only do such recollections have the limitations of your particular vantage, but they also are recast to serve your purposes at the time of recall. This is not a problem only with people up to no good; it is the nature of memory for all of us.

What has this to do with organizational and workforce information? Simply that relying on memory, even collective memory, is a seriously deficient way to acquire information for any significant decision. Effective decision-making requires a record, not recall.

Misperceptions

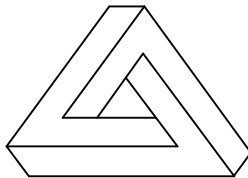
One reason our memory fails us and also impairs current thinking is that our perceptions can be wrong to start with. This point is easy to demonstrate. We see the two horizontal lines as slightly bent although measuring with a ruler would find them straight.

We are fooled by “optical illusions” because the human mind is excellent at comparisons but poor at determining absolutes. Without some reference to guide us, we cannot tell the difference between a small object and one that is far away. Measurement allows us to see things correctly because the measure provides a context for us to gain a more realistic perspective.



The old joke about whether “you’re going to believe me or your lying eyes” would be more accurate if it were “whether you’re going to believe measurements or your lying eyes.” Without good contextual information, we are as susceptible to misperception of workforce and organizational issues as our eyes are to optical illusions.

Reason alone will not always keep us from fantasy or error. Sometimes the reason seems quite logical when, in fact, it is not. Logical fallacies ranging from casuistry (“Let’s take the worst case scenario....”) to *ad hominem* arguments (“She’s in marketing; what would you expect her to say?”). Self-proving arguments, often supported by stories, can be as difficult to crack as an optical illusion.



Limited observation

Everyone in an organization, managers included, has a limited point of observation and is likely to misread and misunderstand without information to put their own observations in context. It is not that they are wrong; it is much worse. They are right but insufficiently so, creating a blindness to corrective information. No one person, or even a group of people, is smart enough or has a good enough “gut” to manage by personal observations and “hunch” alone.

Perhaps the best representation of this dilemma is the poem “The Blind Men and the Elephant” by John Godfrey Saxe:

It was six men of Indostan
To learning much inclined,
Who went to see the Elephant
(Though all of them were blind),
That each by observation
Might satisfy his mind.

The story unfolds that each of the blind men touched a part of the elephant, one the tail, another a leg, another the side, another the trunk, and so on. Their experiences caused them to sense the elephant as a rope, tree, wall, snake, etc. Each was convinced that his personal experience was the whole of the elephant.

And so these men of Indostan
Disputed loud and long,
Each in his own opinion
Exceeding stiff and strong,
Though each was partly in the right,
And all were in the wrong!

Misreading the signs

Another bias and distortion of perspective is that people find what they look for. Several years ago, a man in Seattle noticed that his windshield had a number of little marks that seemed to have been caused by some tiny, hard objects. He notified the state highway department which discovered that many cars had the same problem.

There seemed to be an epidemic of windshield pitting. The matter was referred to the U.S. Department of Transportation that, after a year of study, found that there was indeed an epidemic, but of *windshield inspections*. The marks were the result of countless grains of material bouncing off windshields, a condition of most every car on the road. In this case, good information eventually triumphed over shared anecdotes.

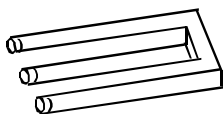
Our innate tendency to put order to things does not mean that we put them into the *proper* order. Tossing a coin and turning up heads five times in a row seems a “run of luck” where the odds of probability have been suspended. Actually, it would be even odder if ten flips of the coin rendered five heads and five tails alternately. *Random* means without any pattern or design, completely by chance. A person can perform well during some periods and poorly during others, as every golfer and tennis player knows. However, “streaks” that result from some outside force that suspends the laws of probability are a fantasy (Gilovich, Vallone, & Tversky, 1985).

Language pitfalls

Reasoning is an art; words are its medium, and we can be undone by our own tools. For example, a thought, like a visual art, can be realistic or quite fantastic. We can imagine and then portray and describe things that never were nor are likely to be. We can often spot something that seems too fantastic to be real; many things govern our lives that are in fact fantasies. The organization chart is a graphic representation of a fantasy, with the real world being in the space around the lines and boxes.

We talk about “management” and “labor” as if these things actually existed, but they are only fictions we have chosen to live by. The hard line between managers and workers is a fantasy so full of mischief that it has become increasingly difficult to maintain in today's work world.

We live in a world of linguistic absurdities. Much of George Carlin's humor is based on such linguistic fantasies: “Can a vegetarian eat animal crackers?” or “If you try to fail and succeed, what have you done?” Too often, however, managers seriously say similar absurd things such as “We need to give this 110%.” or “We want quality not quantity, but lots of it.”



These kinds of phrases are just verbal versions of this conundrum:
Perhaps one of the most harmful language-based pitfalls in management thinking

has been the term “cost-cutting.” Cost-cutting, absent some dire circumstance, is irrational on its face. Its logical extension is to sell the assets and go out of business. Such simplistic notions undermine good management thinking which should be about the relationships of values (investments and benefits), and replaces it with the arithmetic of accountants.

As with most mechanistic thinking, this simplistic approach drives so many management decisions because it is easy to comprehend, easy to do, and has a certain neatness about it. Cutting costs without regard to the lost benefits, however, is no more rational than benefiting someone without regard to his contribution or, for that matter, shooting oneself in the foot to lighten the gun.

The rational approach of “eliminating wastes” requires management to determine what investments are needed to accomplish the organizational goals. If the investment seems too extreme, the rational action is to get the goals more in line with resources. Cost-cutting, rather than eliminating waste, often just deprives people of the resources they need to do their jobs. Anyone can order across the board cost cuts, but it takes good information, sound analysis, and a keen mind to ferret out what is and what is not contributing to the bottom line.

Cost-cutting and waste-eliminating stem from two quite different mindsets and, important here, look for two quite different sets of information. Cost-cutting is satisfied when one set of numbers is lowered. Eliminating waste is satisfied by the results of the action and impact on operating conditions. Cost-cutters are not interested in workforce and organizational information except for their expenditures. Waste-eliminators require information about workforce and organizational conditions to know the difference between fat and muscle.

Language and logic

“Its either good or its bad; it can't be both.” Actually, it can be both, or it can be neither. We are, thus, forced into “either/or” thinking by our language. Aristotelian logic is based on the verb “to be,” the basis for our logical processes. It “is” or it “isn't.” It is either “management” or “labor,” a dichotomy that plagues just about every frontline supervisor who is somehow both and neither.

Years ago, it was observed that the reason that the Pennsylvania Railroad went out of business was that management thought it was in the “railroad business,” but it was really in the “transportation business.” It was a catchy turn of phrase and one hears it quoted even today. That concept prompted a tile manufacturer, believing it was actually in the floor-covering business, to venture into the carpet business, where it suffered heavy losses. The company was saved only because the CEO died and was covered by a large amount of key executive insurance.

That you are “either in this business or not” pushes managers into wrong thinking about their market strategies. It also pushes them into wrong thinking about their own organizations. Instead of infusing quality as an integral part of our operations, we establish “quality circles.” We must be a Theory X or Theory Y person; either we have some one “in charge,” or things are “out of control.” We force ourselves into specious either/or choices that managers should not have to make.

The real world is rarely either/or; it is mostly a matter of degree and kind. We can understand that truth with good measurement and information. For example, there is a world of difference between a manager's sensing an employee morale problem and a survey finding that employees averaged 2.8 (on a 5 point scale) on a trust question. There is no comparison between “she is (or is not) a good worker” and “she has an overall performance score of 98.7.” Of course, numbers require an explanation of what they mean, but words alone provide no meaningful reference point at all to anchor either decisions or dialog.

Lacking a measurable assessment anchor, managers can convince themselves of all sorts of views about people, ranging from unblemished perfection (usually us) to unmitigated evil (always someone else). Over time, narrative-based performance reviews, if not so initially, soon become meaningless jabber devoid of meaning. Appraisals of the condition of the organization or attitudes of the workforce are likewise highly suspect unless backed by solid information reflecting measures of critical factors.

What gets measured is what gets done. Managers may feel good discussing “kicking the competition's butt,” but to really do the job they've got to talk in terms of effective measures of growth, e.g. ways to increase market share or sales

per customer by 10%. Similarly, improving employee morale must be more than “yanking the kinks out of the trouble-makers.” Actual improvement is more likely when aiming to increase employee opinion survey scores by 10%.

* * *

For good internal information to help managers stay on the proper mental track, it must fit with management strategies. How to go about that is our next topic. Source books for this chapter, and excellent further reading for those interested in how our minds can trick us, include the following:

Dawes, R. (2001). *Everyday Irrationality*. Westview.

English, G. (1998). *Phoenix without the ashes*. St. Lucie Press

Norman, D. (1990). *The design of everyday things*. Doubleday.

Norman, D. (1993). *Things that make us smart*. Perseus Books.



*Language is a building to which
every person brings a brick.*

Henry David Thoreau

Sneed, L. (1999). *Making your video tell a story*. Training, September, pp. 59-63

Weiner, D. (1999). *Battling the inner dummy*. Prometheus.

Chapter Three

Information and Organizational Management Strategies

*Lest a person's knowledge be in order
the more of it he has the greater his confusion*

Anonymous



Managers in a given organization tend to share a common perspective for a variety of reasons - industry culture, similar goals, and even similar personalities. A manager is unlikely to stay if he or she does not “fit in.” this shared organizational culture.

While every manager has some particular differences in outlook and approach, such individual diversity tends to center around a core of common management thought that, on the whole, constitutes the American management culture. The general similarities among organizations and management strategies constitute a *genre* allowing us “know one when we see one.”

An effective information strategy must fit with a given organization's management strategies, in both their generic commonality and individual particularities.

Alike and unlike

The commonalities among organizations mean that management of any organization can use standardized information-gathering methodologies and thereby save much money. The differences among organizations, however, mean that managers must adapt standard methodologies to study their particular organization. Management does not need to reinvent the wheel, but “cookie cutter” approaches may not be adequate either.

Numerous variations and combinations notwithstanding, several primary

organizational models seem prominent in management thinking:

- *Mechanical* - the most generally common; uses concepts like “linkage” and “alignment;” our strongest intellectual heritage; built into our language.*
- *Organic* - uses “homeostasis” and “amoeba-like” instead of “balance” or “alignment;” most people seem to have difficulty thinking in these terms.
- *Systems* - the words are used a lot but they tend to become mechanical structures rather than dynamic systems.
- *Social-psychological* - behavioral approaches to motivation, job challenge and satisfaction, etc.
- *Humanistic* - ideological perspective built around the quite reasonable notion that treating people decently will lower resentment and increase team work and productivity.

A manager might talk about organizational “alignment” (a mechanical term) of work processes (systems) and corporate culture (social science). The manager might also be concerned about workforce motivation (psychology), and fairness issues (humanism). A manager’s particular perspective is both changing and situational, but has a certain consistency. Otherwise, no one could work with him.

No two fingerprints or organizations are alike, but there are enough similarities so we know one when we see one. It is, in fact, the general similarities that make the particular differences meaningful. When studying organizations and people, (or, for that matter, anything), we look for those things that constitute common characteristics so that we can categorize them. Once these have been identified, we note those things that deviate from the “normal.”

But the fingerprint metaphor has limits. We are given our fingerprints at birth,

* For a more detailed discussion of intellectual history and American management thought, see Gary English, *Phoenix without the Ashes* (St. Lucie Press, 1998) Chapter 6.

and they are fixed for a lifetime. However, we *create* and continually *reshape* our organizations. Perhaps the ball team analogy works better here. All sports teams look pretty much alike; they use essentially the same plays, wear similar uniforms, and have like-looking players who utilize similar skills.

All teams share the basics, yet the differences are what determine a team's success. Every coach/manager needs to know both the common and the particular because that knowledge is crucial to optimize the team *before* the competition finds out.

Managers, therefore, are not just looking for the given, but for the *preferred*. They want to know about present organizational condition, so they can refashion it more suitably to serving their interests. An organizational study, therefore, should encompass these characteristics:

- common to all organizations,
- peculiar to any one organization,
- significant in terms of reaching strategic goals,
- adaptable.

Looking at both the universal and particular, as well as the present and preferred, requires using a range of information-gathering methods. These methods should suit the information to be gathered and management strategies and goals, which we address more fully in Chapters 9-12. The interest here, however, is aligning information and management strategies to (a) provide a guide for comprehensive gathering of information (b) without losing focus on proper management purpose and applications.

Information and management focus

In many ways questions about culture, climate, “organizational personality,” communications, leadership, change orientation, etc., deal with the same thing, i.e. workforce perceptions and attitudes about the work environment. The difference among “culture,” “climate,” and “management style” can be the eye of the beholder, based largely on different management consultants, books, workshops, and MBA classes.

Nonetheless, there must be some basic notions around which to organize our thinking. For most purposes workforce and organizational issues can be addressed with the categories (with some illustrative information queries) in Table 1.

Management concepts are used in combination because no one approach is able to address all the complexities of organizational structure or dynamics - and certainly not human behavior. Also, some terms, such as “culture,” are essentially analytical and do not provide the kind of action tools needed by management.

Chain of choices

Consider the following: You have made your decision and given an assignment to Sally. Going back to her office (cubicle, shop, etc.), she ponders just exactly what it is that would satisfy you and the assignment, mulls over what is involved, and considers the different ways to go about it. She contemplates what the implications are for doing the job, getting and using resources, getting help, getting approvals, getting it done with her other work, and so on. In other words, she is like everyone else who gets a decision from on high: she has a lot of decisions to make.

Sally will communicate with other involved parties - such as human resources, purchasing, information services, her colleagues, and perhaps her professional associates in other companies. Depending on her interests, proclivities, and the nature of the assignment, she could be contacting a number of others either for information to solicit help, to adjust commitments; she will be getting back to you. Each contact Sally makes is likely to prompt a number of decision strings not only for her, but for all those she contacts.

Your assignment to Sally, i.e., *your decision*, has precipitated a dynamic of waves, eddies, and backwash of resultant decisions and interactions throughout much of the organization and, perhaps, beyond. Depending on your position in the organization and the nature of your decision, the results can be momentous in both time and effect.

Table 1: Comparison of Management Information Interests

Interest Area	Description	Sample Query
Organizational climate	general working environment in such matters of trust, ethics, fairness, mission, relationships among staff, clarity and pertinence of mission	<i>Do people here trust each other?</i>
Management and supervision	workforce perceptions of management's performance in organizing work, making decisions; dealing with people; hiring and promoting, planning, problem-solving, etc.	<i>Is your work well planned and organized?</i>
Communication	management credibility; availability of work information; response to suggestions; fair hearings for complaints; awareness of company activities, etc.	<i>Do you feel safe and comfortable speaking your mind to managers?</i>
Quality and Productivity	performance standards, expectations and feedback; problem prevention, waste of resources; materials and supplies; performance-based rewards, etc.	<i>Are you ever expected to shortcut quality to get a job done quickly?</i>

Table 1: Comparison of Management Information Interests (Cont.)

Interest Area	Description	Sample Query
Safety and environment	work practice and attitude toward working safely; perceptions of management priorities and caring; actual implementation of safety policies, value or safety programs, etc.	<i>If you see someone engaging in an unsafe act, even a manager, do you feel comfortable telling him about it? or (one of my favorites): Sometimes do you feel you just have to take risks to get the job done?</i>
Customer relations / focus	degree to which staff are prepared and empowered to deal with customer issues, the priorities of customer concerns, problems in system support, etc.	<i>Do you have the authority and resources you need to deal with customer problems?</i>
Employee motivation / attitudes	how do people see their work, relevance of incentives and rewards, sense of team, etc.	<i>Do you feel that what you do makes a difference for the company?</i>

Decisional dynamic

Management texts and training programs tend to treat decisions as if they were made in isolation--someone in authority defines the problem, gathers information, determines possible actions, and decides. Other people will “implement” the “decision,” although one needs to “monitor” the “progress.” In a sense, this is another trick of our language which lets us, perhaps forces us, to think of a “decision” as a discrete, static thing when, in actuality, it is part of a dynamic flow of events. A decision can have a tangible form, such as a memorandum, but a decision, like music, exists only in its performance.

Mechanistic and either/or thinking sees a decision as a kind of football to be “handed off” to others to be “implemented.” A decision can elicit and precipitate, but it cannot be “handed off.” Decisions do not cascade in the sense of water tumbling downhill, nor is there some mechanical linkage or wiring that is operated through “buttons and levers.”

A decision essentially creates a new set of conditions that prompts others to make subsequent decisions about their actions. Subsequent decisions and actions will be functions of the people’s experiences and their own proclivities.

A decision issues through organizational synapse like a thought through a brain. Tangible representations, such as memos, are merely sources for contemplation and interpretation. People marshal mental templates, pulse with emotion, and scan their minds and external resources for appropriate bits of information that would seem to apply.

These particular interpretations and subsequent actions become the new environment for others and, in a complex set of reverberations, even the originators. Every manager should bear in mind three critical realities of decisions:

Reality 1: All decisions, whether intentionally or not, are participatory.

A management decision does not control what people do; it only influences how they *think* about what they do. A decision does not provide people involved with an objective truth. Rather, it offers people a new situation to which they must make some adjustments. Curiously,

this universal, constant situation is forgotten when people talk about “decision-making.”

Reality 2: All decisions, regardless of how simple they seem when made, are complex, ranging, and enduring in their effects. The consequences from even a seemingly trivial decision can, over time, be quite telling on an organization. Every subsequent choice brings new circumstances with new obstacles and opportunities and requires an on-going stream of consequent, adjusting decisions. Such is the life of an organization.

Reality 3: Those who don't have good information on Realities 1 & 2, will be dealt with harshly by the Law of Unintended Consequences.

Michael Eisner, CEO of Disney, observed this phenomenon:

Everyday, something you're not expecting happens. But if you can see it coming, you can at least plan for it. And then, of course, it is not a surprise, and you can use your common sense to find a solution (Wetlauer, 2000).

Controlling the process

Even the most pragmatic manager can understand that the way one looks at decisions and implementation determines the kind of controls available to management. Mechanical thinking has “hand-offs,” “buttons to push,” “carrots and sticks,” etc. This approach is okay as long as we realize that a “carrot” might be a person's self-esteem and satisfaction of accomplishment, and that these might stem from a need for approval from a respected supervisor - or, conversely, from thwarting the desires of a detested supervisor.

Management control efforts are directed toward both the organizational environment and individuals and groups. Individual and group controls consist primarily of rewards or threats and penalties, while organizational controls consist primarily of facilitation and support or restrictions and limitations.

Positive and Negative Control Strategies

Control Effort	Individual Focus	Organizational Focus
<i>Positive (pull)</i>	Rewards	Support, facilitation
<i>Negative (push)</i>	Penalties, threats	Limitations, restrictions

Management efforts at control typically involve a combination of all of these strategies, determined essentially by circumstances and culture. For reasons beyond our discussion here, negative strategies seem most preferred or, at least, most often used. Negative strategies are more mechanistic, i.e. force compliance by restricting alternatives and applying pressure. Managers using mechanistic and negative strategies do not feel the need for comprehensive and timely information about the organization or workforce unless there is some sort of “problem”.

Positive strategies are more behavioral, seeking to elicit commitment and desired behaviors rather than force them, i.e. to *pull* instead of *push*. Common sense would suggest, and management studies confirm, that a motivated and collaborative workforce in a supportive organization will outperform a compliant and resentful workforce laboring in an obstructive, irrational organization.

One of the key reasons managers tend to try to force rather than motivate is that they simply do not have the kind of information about their organization required to know what they are doing. Lacking information to do otherwise, uncomfortable and apprehensive managers move into operating modes that undermine both effective teamwork or process optimization - i.e. micro-management, managing through fear, autocracy, and poor performance management.

A rational alternative

In the midst of all this complexity and seeming contradiction there is one simple, overarching commonality: if people agree on the goal, have confidence in the

means to that goal, and have value in the rewards from their efforts toward that goal, they will pull together. Ensuring that is the role of leadership, management and, yes, information, as we see in the next chapter.



*Descriptions are tools developed for particular purposes,
not attempts to describe things as they are in themselves...*

Richard Rorty

Chapter Four

The Rational Thread

Leaders owe the corporation rationality

Max De Pree



Most improvement strategies such as re-engineering or learning an organization have a plausible and compelling rationality. Otherwise, managers would not be attracted to them. Their logic, however neat and tidy, tends to be intrinsic rather than contextual. If the organization where they are applied is rational, then no matter how intrinsically sensible, the improvement strategy will not work. That is why what looks good on paper may not work in practice.

Organizational irrationalities cause even the most promising approach to become a disruptive burden. The following example is typical:

An international corporation decided that it needed to establish a pay-for-performance system for its 40,000 managerial and professional staff located around the globe. This idea seemed rational: if an organization does not pay for performance what, indeed, is it paying people for?

The company paid a consultant several hundred thousand dollars to design a “professional development program” or PDP. In this program, staff established annual goals with their supervisors with their merit raise or bonus depending on how well they met these goals. On its face the idea made good sense.

At the end of the year, after spending months by all involved in establishing the system and goals, the company chose to give an across-the-board raise to everyone. The PDP system was quietly allowed to pass into not-so-fond memory; it was a multi-million dollar waste.

The PDP was an expensive failure - not just in the hundred of thousand dollars spent on consultants and the hundreds of thousands spent on staff time, but in the opportunity cost of practical improvement ideas that were disdained because of the PDP promises. Moreover, because the PDP involved management and professional commitments to other improvement projects - i.e. quality, safety, re-engineering, etc., the payoff and, hence, commitment to these projects faded as well.

The PDP program, though rational in itself, became a costly, ridiculous burden in application because the organization, i.e. management, had no rational context to support it. Management could launch the program, but did not have the control to make the program work.

Rational control

The common element around which every management initiative must be woven is rationality: Does what a person is doing or is asked to do make sense in terms of what one is trying to accomplish? To the degree to which the answer to that question is “no,” an organization is irrational and suboptimized.

Rationality is not the same as “alignment,” which is a mechanical analogy and difficult to test as an organizational reality. Rationality is *behavioral* and can be measured by assessing the workforce’s understanding of purpose and organizational conditions supporting that purpose. In other words, one can ascertain the fundamental condition of the organization by assessing its condition of rationality.

If you hear someone say “Its easier to beg forgiveness than to get permission,” you are hearing people say they must *conspire against their own management just to do their jobs*. The organization, rather than supporting and facilitating their work, is actually an obstruction to be overcome or in some way gotten around.

If you hear “I know it doesn’t make sense, but the boss says do it anyway,” you have drifted past irrationality and into mindless activity akin to insanity. In either case, you are a long way from a rational, optimized organization.

Proper queries that serve the other approaches, such as those shown in Table 1 in the previous chapter, often address questions of rationality, and vice versa. One can, however, assess rationality more directly such as:

Interest Area	Description	Sample Query
Organizational Realty	nature of work alignment in organization, i.e. work makes sense in terms of organizational goals; work is by priorities rather than urgencies; there is due emphasis on “craftsmanship,” as well as equipment; management looks for waste rather than just cuts “costs,” etc.	<p><i>Do support services treat you as valued customers?</i></p> <p>Or</p> <p><i>Are you ever told to do things that you know won’t work, but you can’t argue?</i></p>

The rationality standard applies to any area, from sales to safety, and any level, from the CEO to custodian.

Wherever the answer to query about an operation’s rationality is less than “yes,” the organization is not optimally aligned; if the answer is “no,” one has found a place seriously needing improvement. The *organizational rationality model*, therefore, seems to offer a reasonably universal approach to use here (English, 1998). A brief review of the basic concepts of organizational rationality will make it easier to understand how this strategy works.

Organization as Instrument of Enterprise

Although individual talent is important, it is the organization that allows talent to be fruitfully employed and elicits, facilitates, and supports good performance.

The earlier examples of Doug Williams, Steve Young, and Trent Dilfer, who had losing seasons as Tampa Bay quarterbacks and won a Super Bowl the very next year with another team, demonstrate this point.

At the most basic level, an organization is an enterprise of (1) people working together in (2) a predictable way (3) to accomplish some purpose which (4) they judge worthwhile. These are basic aspects of organizational rationality, i.e. what people are doing “makes sense” in terms of what they are trying to accomplish. Every enterprise then has four facets:

1. *Purpose* to be accomplished (goals and objectives)
2. *Promising and predictable ways* (systems, culture, etc.)
3. *People* working together (workforce)
4. *Payoff* (economy of *worthwhileness*).

The proper function of an organization at every level and branch is to translate business strategy and goals into appropriate practical work. Hotel custodians, rooms service staff, and maintenance technicians must understand “Our Guests Are Treated like Royalty” in terms that relate to sheets and towels, gum on the floor, and response to complaints about the television set.

A recent study of organizational change efforts found that “employees’ understanding [of] what they must do to support the change” was critical to success (Smith, 2002). In other words, there must be a rational connection between what staff is supposed to do (as indicated by what the organization supports and facilitates, rewards and punishes, and gives and denies) and what staff is supposed to accomplish (as indicated by strategic goals).

As management translates purpose into practice through an environment that defines, guides, facilitates, supports, and rewards such work, what people are expected to do must make sense in terms of what they are trying to accomplish.

Case in point: A loading operations supervisor at a large nursery told me his job was to “ensure the trees got to the customer in good condition.” Compare that with his department manager who said the job was to “get the trees loaded on the trucks.” Which of these performance expectations would best realize a market

strategy of being a quality supplier whose trees cost more but had better survival rates, earlier fruit bearing, and great fruit yields? Clearly, strategic goals must be translated such that every employee can understand in terms of what they are trying to accomplish.

If the supervisor's boss were to pressure him to load more trees than quality allowed, the "system" will begin to make less "sense." The loading supervisor would have less incentive to "get the trees to the customer in good condition" and more to "pack trees on the truck." All values and standards would then shift away from a purpose of quality to that of expediency and cost-cutting. The supervisor might even become frustrated and leave for a workplace with values more aligned with his. Indeed, not being able to do a good job because of an obstructionist organization is a significant cause of turnover.

A paramount measure of performance for the nursery's quality strategy is tree survivability rate. Had the department head's volume/low cost paradigm prevailed (as it does in many organizations), the focus would be on activity, and the paramount goals would be minimum loading time, number of trees on the truck, number of workers, etc.

This example shows clearly how irrationality stemming from a mistranslation of purpose to practice, a failure to connect internal processes with external outcomes, and, in general, performance standards not geared to proper purpose, can undermine efforts at quality, customer service, and other improvements.

Unity of Leadership, Management, and Motivation

We have all read and heard much about the roles of leadership, management, and motivation. To really understand how these are related to performance, we must understand how these elements fit together to accomplish operational goals. The function of *leadership* is to provide

1. *Vision* of a desired new or different condition (purpose)
2. *Promising means* of realizing the vision (systems)
3. *Opportunity* for a performer (role)
4. *Promised payoff* for the effort (reason for effort).

Controlling the systems that accomplish this purpose is called *management*. While both are necessary for any successful enterprise, neither leadership nor management is realized until someone is motivated to apply effort to the systems to accomplish the purpose. The third part to the equation is *motivation*. People will be motivated if four factors are properly set:

1. *Desire* for the new or different condition (acceptance/support of purpose)
2. *Confidence* in achieving that condition through effort (acceptance/support of systems)
3. *Abilities* to perform
4. *Sense of worthwhileness* about the effort (willingness to perform for the potential rewards).

These basic elements - leadership, organizational management, economy (worthwhileness), and individual motivation - are clearly different and essential facets of the same thing. Any deficiency in one aspect undermines the others. When these fundamentals are fit together, an elegant pattern for controlling the complexities of organizational and human psychology also becomes clear.

People might initially have some blind trust in management. In the long term, however, they will pursue goals that make sense to them. Where organizational purpose has become vague, obscure, distorted or perverted, systems thwart rather than support effort. When rewards and penalties are wrong, irrelevant, or unfair, workforce effort will not be optimal. It is critical, therefore, that management constantly monitor its organization to detect and deal with those irrationalities that impair business success.

Rationality of Motivation

Managers often express the desire to “light a fire under” someone not performing well. Lighting a fire under someone with threats, however, moves that person just far enough to get away from the heat, i.e. to minimum compliance.

To optimize performance, the fire must be *within* people because they will be truly motivated only to the extent they subscribe to the purpose, have confidence in the organization, and think the effort worthwhile, i.e. that things “make sense”

Leadership, Organizational Rationality, and Performance Motivation

<i>Element</i>	<i>Leadership</i>	<i>Organization</i>	<i>Workforce</i>
<i>Purpose</i>	Vision of a desired new state	Strategic goals and objectives	Shared vision of desired new state
<i>Systems, processes</i>	Promising means to accomplish	Appropriate translation through support, facilitation	Confidence in means, support, competence of organization
<i>Economy</i>	Promised rewards, incentives	Performance rewards	Feeling of worthwhileness
<i>Effort</i>	Definition of effort	Performance standards, assessments of effort	Effort optimism

(Adapted from English, 1998, p. 90).

Authoritarian systems tend to be rigid and arbitrary, while free enterprise systems are flexible and responsive to the market. While authoritarianism may give a sense of control, free enterprise while seemingly “out of control” is actually more stable. Free enterprise is also more likely to seek an effective alignment with the external environment which, as expressed in the beginning of this book, is the proper objective of management.

However, free enterprise would be chaotic and unsustainable without the necessary information flow that affords a constant, accurate internal adjustment to external conditions. This information is the key to motivating and guiding a high-performance workforce. People receive feedback to guide their efforts, helping their performance become more effective and efficient. This same feedback also reinforces a sense of accomplishment. Thus, good feedback supports both rational and emotional motivation.

There is, however, a pitfall. If the systems are not rational, i.e. if what people are doing is not aligned with what people should be trying to accomplish, information simply reinforces the irrationality and dismay, making the organization de-motivating, both rationally and emotionally. Rather than motivation and dedication, the organization is typified by grudging compliance and passive aggression.

That risk is one reason some managers fear workforce access to information. When combined with the reluctance most managers have in accepting criticism from subordinates, information-avoidance is often more the practice than information-seeking.

Organizational irrationality is, for all the reasons we have discussed and for other reasons as well, largely a result of poor information flow and utilization. Good information, then, is the key to both a high-performance organization and a motivated workforce at every organizational level.

Rationality Must Be Real

Karl Marx is not ordinarily listed among management gurus, but he offers an important observation for managers: *Sufficient quantitative change becomes qualitative change*. Despite the fact that, technically, Pete Sampras and I both play the same game of tennis, his level of play essentially renders his game a whole different sport than mine.

I have found the converse of Marx's principle also true: *Insufficient quantitative change means no real change*. In most consulting engagements I have found numerous instances of sham programs where management claims to be doing, but really isn't. The earlier PDP example is a good example.

Gesturing in the direction of quality does not mean that quality thinking, standards, and performance expectations are infused throughout the organization's ordinary, every day activities. "Quality" can be just a word that is mumbled during meetings because "the boss says so." Of course, without good internal information, no one really knows.

Six characteristics mark and measure organizational rationality:

1. Clear and compelling purpose. A clear *purpose* provides the focus for aligning the organization. A purpose must be *compelling* for people to care. A loss, obscurity, or contradiction of purpose, sometimes called a lack of vision, can come about in many ways.

Many support units, such as human resources and purchasing, can turn their supposed internal “customers” into *de facto* suppliers. Operating managers commonly see these support units as another form of “boss” who must be satisfied rather than as a good-faith supplier. A purpose that exists only on paper or in the mind of the CEO is, in effect, no purpose at all.

For example, an international 500 company, with great fanfare and a video from the CEO, introduced its new mission. There were numerous meetings of key managers from around the world and copies of the mission in tent cards for every manager’s desk and a large framed version for every work location.

When I interviewed employees and front line supervisors in a plant about how their work fit in the new mission, their response was “I don’t know anything about it. I came in one morning and there it was on the wall. Nice frame though.”

2. Planning. The idea of good management is not to wait to see how things turn out, but to make sure things turn out the way they should, and this means planning. *Planning* is the process of looking ahead and anticipating what will be required, a critical part of supervisory and managerial performance.

Planning will not predict the future, but it can be an *effective way to assess the present*. If people know where they are and have an idea of where they want to be, then the chances of getting there are greater. People are simply in a better position to help make the right things happen.

People need to know how their performance fits with that of others. A plan lets everyone know what to do and when to do it. It provides priorities and serves as a vehicle for organizational conversations, the dialog that

translates purpose to practice, the essential work of an organization and responsibility of management.

3. Best available data and analysis. When decisions are based on “opinions,” the opinion of the big dog is the one that counts. Opinion-based decisions, then, push an organization toward boss-ism, undermining effective performance management.

Data and analysis, on the other hand, are great democratizers. They free people to perform at their potential. Data and analysis put the issues on the table, allow a critical review of the information, and allow people to collaborate in solving a problem.

4. Good tools and *craftsmanship*. Quality is as the workforce does. In a simple environment this fact is easily seen. A less able person using the same tools will not only get inferior results, but is likely to ruin the tools. When the tools get big and complex, however, this perspective is turned on its head; many people now see the tool as the critical element, with the operators as mere appendages.

One often hears talk of “idiot-proofing” equipment to lessen the impact of the operators. The need for idiot-proofing, of course, comes from a failure to properly prepare people for their jobs. The value of Microsoft’s Windows operating system is not that it “idiot-proofs” computers, but that it does what technologies is supposed to do, i.e., facilitate user learning and expand the range of natural abilities. MS Word does not replace the craftsmanship of writing, designing and communicating; it merely provides better tools for it. It does not “idiot-proof” but makes the tool user friendly, as all equipment should be.

5. Performance-based systems. This book has noted several times how over-reliance on authority creates an environment where pleasing the boss becomes the focus of alignment at the cost of goal-oriented performance.

Authority-oriented alignments tend to be technical and parochial, if not outright political, e.g. human resources department can be more concerned

with its prerogatives than in hiring good performers or the purchasing department with its procedures than expediting getting needed equipment. *Performance-based systems* are rationally linked to optimizing the accomplishing of organizational goals. Supportive services should be less preventing and more value-adding.

6. Managerial control. Managerial control, which is focused on outcomes, differs from parochial or technical control, which is focused on process. “Eliminating waste” is a management function; “cutting costs” is in the technical realm of accountants. “Optimized processes” is management thinking; layers and silos are parochial.

Management control is found where the formal (annual performance review) and informal (real world performance expectations) systems are congruent, where systems are responsive and efficacious, and where people employ that margin of discretionary effort that makes the difference between okay and excellent performance.

The requirements of rational management are not radical or excessive in any sense. Indeed, they are quite traditional concerns of management. Most managers would argue they are doing several or all of these things in some way or other. The question, however, is not whether there is some semblance of these elements, but *how truly these marks and measures characterize the organization*. Basically, most organizations are technically doing the same things. In practice, however, the optimized operations have achieved a level of excellence absent from the more mediocre performers.

Every organization has *some* rationality - but if the goal is to be *excellent*, not merely *okay*, the level of organizational rationality must be excellent as well. The quality of organizational information must be commensurately excellent.

Rationality in Practice

Consider the situation of a major mining and chemical operation employing more than 6,000 people. The Director of Safety and Training was concerned how he could motivate the front line supervisors to go to training. Such reluctance is often the case with the pragmatic blue-collar supervisors who see little benefit in

most “canned” training. Moreover, they find training sessions pull them away from the work for which they will be held responsible piles up.

Knowing this, I suggested he tailor the training programs to the supervisors’ performance appraisal so they would have some relevant goals and pay off. “The trouble with that,” he replied, “is their *performance appraisals have nothing to do with their actual job.*”

Here is the ultimate irrationality: What management says is different from what management does. In such a situation following the official/formal management communications could get you in trouble. Organizational schizophrenia is created when official, formal management does not match the unofficial (but with real consequences), informal realities of the workplace. It is like trying to work a puzzle when you are told the pieces are shaped one way but your experience finds them another.

For example, an officially stipulated work day might begin at 8:30 am. In actual practice, “being on time” can range from being busy at one’s work station to being somewhere on the premises or at the coffee pot. It may mean being at work at 7:30 am if one really wants to get ahead or sauntering in at 8:45 without worry of consequence. In other words, the official, formal word of the management does not match the informal “reality” of the organization. This is one reason production goals are set in the “break room, not the board room” - that is, where the workforce actually determines what management really “means” regardless of what it says.

If people understand what they are doing and why, then there is a rational, unifying quality to their world. To the degree there are conflicting and contradictory messages, the environment becomes a place where ordinary things can be threatening; people move toward staying out of trouble (compliance) and away from full engagement (commitment). Management essentially must operate through formal means. Thus, to the extent the formal structures are different from the informal realities that actually govern behavior management control suffers.

Every organization has policies and procedures for rewarding good performance, correcting poor performance, or hiring good performers. However good these systems may look on paper, the reality of “how things are really done around here” is often quite different. How many times has a person gone to training on ways to improve performance only to be told back on the job, in one way or another: “Forget that stuff. You’re back in the real world now!”

Here we see the crux of organizational irrationality. What one is *formally told* to do is not what one is informally *expected* to do. Purpose, process, and effort are out of whack; things don’t “make sense.” Think of a sports team in that condition, and few winners will come to mind.

The rationality audit

An *rationality audit* scans the organization for areas that are not directly contributing to achieving business goals, i.e. for causes of wasted resources, quality problems, and productivity losses. The information can be used to assess, select, and utilize various improvement programs. Improvement methods such as cycle-time reduction, computerization, and training make more sense when properly implemented in a rational operation.

The rationality audit, however, goes further. By addressing both technical areas and the most slippery yet critical of management problems, i.e. workforce conditions of focus, morale, team work, the audit indicates promising improvement strategies.

The *Organizational Rationality Audit Syllabus* at the end of this chapter provides a practical approach for

1. assessing the rationality of one’s operation
2. establishing a structure for having good information about the organization, work processes, and workforce
3. monitoring progress of improvement initiatives
4. indicating appropriate information gathering strategies and methods.

A rationality audit is effective as either an organizational portrait or the matrix for an on-going information utility. The illustrative syllabus indicates the strategic standards (marks and measures), formal assessment (artifacts), behavioral assessment (survey, etc.), and examples of questions to be asked.



*The people in the field are closest to the problems;
that is where the wisdom is.*

Colin Powell

Organizational Rationality Audit Syllabus

Mark and Measure	Documents/artifacts Review	Workplace Assessment Methods	Important Queries
Purpose	Overall statement Departmental statements, other statements regarding purpose, mission, goals, values, etc.	Survey of employees Interviews with managers, supervisors, & selected employees Workplace observations	Is there a clear <i>statement of purpose</i> ? <i>Who knows</i> what it is? <i>Who understands</i> it? <i>What</i> do they understand? Do they find it <i>viable</i> ? Is it being <i>pursued</i> ? Is the <i>customer focus</i> clear?
Planning	Written strategic plan Written operating plans at every level and function (to fit the business strategy, performance measures, etc.)	Survey of employees Interviews with managers, supervisors, & selected employees	Is there a <i>strategic plan</i> ? Is it viable, <i>up to date</i> ? Are there <i>implementation plans</i> ? Is <i>work</i> done according to plan? Is there a plan for <i>change</i> and adjustment?
Use of data & analysis	Strategic plan Operating plans Monitoring systems and practices. Response systems and practices, etc.	Interviews with managers, supervisors, & selected employees Work process review	Is there a clear set of <i>business goals</i> ? Are there <i>operating goals</i> for all critical processes? Are there goals and measures for desired <i>customer response</i> ? Is the <i>information management</i> system rational?

Best tools & craftsmanship	Technical system optimization plan Work performance mastery standards Workforce development plan, program Quality standards Problem-solving methods Best practices program Etc.	Survey of employees Interviews with managers, supervisors, & selected employees Workplace observations	Is there a <i>technology optimization</i> plan? Is it being followed? Are there <i>performance standards</i> ? Are they clear? Actually used? Is there a <i>performance optimization</i> plan? Is it being followed? What is the status of <i>training</i> ? What are the criteria for <i>promotions</i> ? Is there a plan to ensure <i>qualified people</i> for every position?
Performance-based systems	Performance-management Information management Budgeting structure Business and organizational performance score-carding Problem-response systems and practices	Survey all employees Interviews with managers, supervisors, & selected employees Workplace observations Work process review	Are <i>decisions</i> based on business or parochial / technical goals? Are <i>departments</i> customer-focused? How are decisions made?
Managerial control	All documents noted above	Survey all employees Interviews with managers, supervisors, & selected employees Workplace observations Work process review	

Chapter Five

Finding the Focus

*This is what learning is. You suddenly understand something
you've understood all your life, but in a new way.*

Doris Lessing



Pure and cohesive management theories are found only in academe. Such neatness is hard to find in the untidy and pressure-filled world of applied management. As we have noted, every manager operates with a particular set of “working theories” pulled together from bits and pieces of various management concepts, strategies, and techniques learned from mentors, peers, books, workshops, and school, which she applies situationally.

To have value an organizational information must fit with management’s working theories, regardless how disparate or even self-contradictory. The more focus and less fragmented a manager’s understanding of a given situation, however, the more valuable will be the information gleaned from a project. Management therefore should address a number of questions before undertaking any information project, such as:

What has prompted this project, i.e. what problems are pressing us?

What do we hope to accomplish by this effort project?

What means, effort, resources, and time commitment are required to
do the project *well*?

Do we have a definition of *well*?

What will be required after the study?

What will we be prepared to do with the information?

What problems will the effort itself generate? *

*An *Organizational Assessment Planning Worksheet* is provided at the end of this chapter.

A simple and direct way to focus a project is to use the “Four Whats of Power”:

So what?

For what?

With what?

Then what?

So What?

Management usually considers an information project because of some situational concern such as union activity, new strategic directions, safety and/or production problems, etc. The first thing to determine is what specifically management *does not* like and why. Identifying what management wants “to get away from” sets the tone and size of the study.

If management has a narrow and short-term concern, say, about union activities, then decisions about the focus, breadth, resource commitment, time expectations, anticipated follow through, etc. will likely center around the union question. Both the project and any follow-up action will likely be limited to the specific issues at hand and, probably, be short-term and narrow as well.

If, on the other hand, management wants to develop a generally more competitive operation, the information needed will be necessarily broader and have greater depth. Follow-up will not focus on merely getting past an immediate problem, but on the more long term and comprehensive question of causes.

For example, management may be concerned about the attitude and service delivery of store clerks and focus on fixing that, probably by throwing some “customer relations” training at front line employees. The emphasis will be on the clerks’ “being nice” to customers with little interest in finding out from the clerks what problems they are having with the system in doing their jobs.

Specific problems; system causes

Customer relations problems, however, usually stem from poorly trained, poorly led, inadequately empowered and wrongly rewarded people working with poor systems of support and service delivery, i.e. management deficiencies. If soreheads are dealing with customers it is deficiency in the selection system. Fixing such “systems” problems is a broader and longer term project.

Motivation, internal processes, improper performance expectations, and communications flow are management problems that must be addressed in a comprehensive and systematic manner. Problems may surface in one area of the operations, but the cause can be elsewhere. The information needed for management to deal effectively with these issues must be commensurately comprehensive, long-term, and systematic.

Unless management has a proper initial focus, it is difficult for consultants to help. Good consultants understand the importance of system factors in employee performance and know that effective action requires identifying underlying organizational causes.

Any good consultant, therefore, will require, or at least strongly recommend, a fairly broad assessment before making recommendations. Managers concerned only about an immediate problem, however, may feel that the consultants are only trying to “get their hands deeper in my pocket.”

Focus is important in selecting a consultant as well. Information is not neutral, and neither is information gathering. It is difficult to imagine a research design that is not developed around some particular set of assumptions about the nature of an organization and how it works.

For example, the humanist school will want to know how everyone feels and gets along, the “learning organization” aficionados will inquire about “conversations,” while the re-engineers will want to know about process issues. For “organizational psychologists” there are issues of whether an organization is paranoid, compulsive, or schizoid. (De Vries, 1984).

Any research approach should tag all the bases so that whatever actions are indicated will not be limited to a narrow point of view. As the saying goes, people with hammers look for nails, so it is important to have a clear understanding and formulation of the problem one is trying to solve before an information project.

For what?

“So what” establishes and clarifies why something must be done; “*for what*”

addresses the kind of improvements management would like to bring about and why. When management answers these two questions (what it wants to avoid and what it wants to achieve), it has effectively formulated the purpose of the project. It is now easier to make rational decisions about other aspects:

- What management needs to know
- Who has such information
- How to go about getting it
- How much time, effort, and money should be invested in the effort.

Information becomes valuable when it fits into an overall organizational strategy. For example, Federal Express believes in having an “empowering environment” which can be established only by “listening to the employees.” In this pursuit, FedEx surveys its employees every year, and managers are required to develop effective responses to any problems within six weeks.

Sears, in the program discussed in the previous chapter, created a form of “balanced scoreboard” called Total Performance Indicators, using three categories of measures:

- A Compelling Place to Work
- A Compelling Place to Shop
- A Compelling Place to Invest.

For Larry Cassidy, CEO of Allied Signal, the first step toward change is a “brutal reality check” in three specific areas:

- Know Your Customers
- Know Your Employees
- Know Your Market.

These categories guided management in identifying the key populations to study. Only then is management prepared to consider the instruments of study such as

written surveys for employees or, in the case of Sears, a *sample* of employees with follow-up interviews and focus groups. Another approach may be a sample survey and random interviews of individual customers that, combined with sales figures, would provide a good basis for analyzing internal factors with marketing effectiveness.

For the investors, a focus group or personal visit to key people, even an advisory group or representative brokers and investment bankers, may be suitable. The questions would fall from the “for what” analysis. (Information gathering methods and queries are addressed in subsequent chapters.)

If management has a strategic view of the workforce that fits into the overall corporate strategy, as does Ritz Carlton (“Ladies and gentlemen serving ladies and gentlemen”), a rational focus and investment for an information project are clearer at the outset.

Even if management does not have a particular strategic focus, a consultant probably will. Data have meaning only in context. Consultants are not commodities; they are hired because they offer the promise of a particular approach.

Those who do not see the *business value* of organizational and workforce information will tend to view the whole project as a “human resource” matter. The information and, probably, the entire project will be seen as marginal to “real business” concerns. That management would see the condition of its organization and workforce as the responsibility of the human resources department is a source of amazement.

With what?

Once the information goals are clear, management can better select methods and sources of information, and address the technical questions of who, how many, where, how to deliver/retrieve, what to do with the data, etc. Managers are also in a better position to establish an appropriate budget which is where things often go awry.

Many times information gathering is limited by cost considerations rather than the information needed, to the detriment of the latter. There are, of course, real

cost issues, but there is also real information value, and a budget should reflect a proper investment in that value.

The “how” of a study often determines the “what” one will find. Most approaches have some relevancy and significance, and many of the questions will appear on most proper studies. Within the areas they cover, most of these approaches can provide good information. The downside of any approach is that it may fail to get information *outside* it’s particular focus.

While there are a lot of similarities among organizational study methods, there are often enough differences to make discussions, especially with different consultants a bit confusing. One may wonder, for example, if “gap” and “differential” are the same thing.

Any approach can be a problem if the information means something different to the people involved. A behaviorally oriented consultant would be inclined to view poor safety attitudes as a product of an inappropriate management culture. To management, however, attitudes are the problem, not the cause. The consultant sees this situation as a management problem while management may see it as a supervisory or a nature-of-the-workforce problem. To repeat: There is no such thing as an objective approach to information, and finding a commonly supported basis for action is not always easy.

What are management’s appetite and temperament for change? Many organizations launch some change initiative without an understanding of what is involved. Most any operational change will quickly run into system or organizational problems, such as hiring and rewarding policies and procedures.

There must be enough felt need to see the changes through and a recognition that change is a way of life for everyone, not just the front-line troops. On the other hand, an impatient and undisciplined desire for change can lead to widespread disruption and damage to an organization.

Navigating the shoals of too much, too little, too fast, or too late is challenging but, as they say, that's why managers get the big bucks.

What are management's willingness and discipline for self-change? Management should be prepared to change the way it manages and demonstrate its willingness to *act* on the basis of workforce input. Management is always prepared for the workforce to change but, if management is functioning at all, the situation of the workforce environment is the result of past management practices, systems, and policies.

What resources will realistically be available for organizational development? The big impairment for organizational improvement is usually not a lack of ideas on how to do it, but the ability of management and the workforce to devote time, attention, and financial resources to improvement. In suboptimized operations, fire-fighting is at such a high level that fire prevention never quite gets done.

The worse the condition of an organization, the more people are "busy." That the "busy-ness" is mostly nonproductive activities due primarily to a lack of priorities, poor planning, inadequate training, and critical turnover does not diminish the burden. Still, making some sort of "beachhead" of staff time and resources is necessary for making improvements.

What is management's willingness to see things through? A major problem in treating health problems is that after a few doses of medicine patients begin to feel better and quit taking their pills. Not only is the disease not cured and likely to recur, the pathogens become more resistant to the antibiotic.

The management version of this, as every consultant knows, is that remedial actions for management problems often make things seem better within a short period of time; management then cuts its costs and the remedial effort is reduced or terminated.

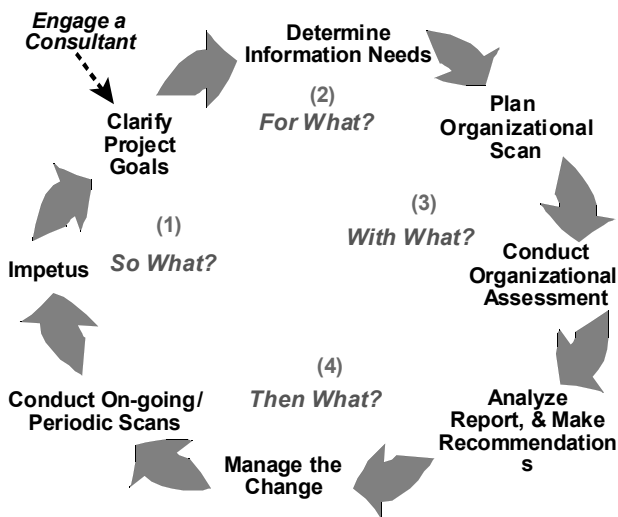
Unfortunately, the causes of the original problems are still there, only now more resistant to change. When things get bad again, it is time for another study, but the workforce has been inoculated and improvement is much harder.

Then what?

It is better to ask “*then* what?” before beginning a study rather than to face “*now* what?” after the study is done. Prior to disturbing the workforce and getting expectations up, management should clarify some issues in its own mind.

1. The idea is generated by some perceived need (*so what*); usually a consultant is needed.
2. The goals are determined (*for what*).
3. The project team assesses the bounds and scope of the information need, plans the project, (*with what*) and executes it.
4. The results are analyzed and reported, often with recommendations.
5. Management develops a change plan and takes action (*then what*).
6. Progress measures and periodic scans indicate appropriate information gathering needs and the cycle repeats (*for what*).

Management Information Scan Cycle



*Don't shrink from looking below the surface of things
just because you're afraid of what you might find.*

Colin Powell

Organizational Assessment Planning Worksheet

This checklist is to help you plan your organizational assessment whether you are doing it yourself or using an outside contractor. While you presently may not have answers for all the items below, they provide a basis for designing the assessment and for clarifying how you can best use the information generated by the assessment.

1. **We are concerned about** (employee turnover, customer complaints, safety problems, shrinkage, communications, preparation for change, innovation, product defects, etc.):

1.	5.
2.	6.
3.	7.
4.	8.

2. **This assessment will enable us to** (make cultural changes, avoid unions, redefine our mission, assess our abilities to compete, etc.):

1.	5.
2.	6.
3.	7.
4.	8.

3. **Some specific topics of interest** (trust, management performance, rewards, supervision, safety attitudes, interdepartmental cooperation, support services, sense of mission, etc.):

1.	5.
2.	6.
3.	7.
4.	8.

4. **Demographics to be included** (departments, work location, residence location, organizational levels, customers, racial / ethnic, education levels, time on job,etc.):

1.	5.
2.	6.
3.	7.
4.	8.

5. **We are interested in analyzing information by the following categories:** (Please check all that apply)

- ☐ Organizational level (general management, department head, supervisor, etc.)
Specify
- ☐ Department (operations, marketing, maintenance, purchasing, etc.)
Specify
- ☐ Type position (executive, manager, supervisor, professional, salaried, hourly, etc.)
Specify
- ☐ Residential location
Specify
- ☐ Union participation (union member, union in previous job, etc.)
Specify
- ☐ Pay range or scale
Specify
- ☐ Time in position
Specify
- ☐ Time with company
Specify
- ☐ Marital Status
Specify

- ☐ Disabilities
Specify
- ☐ Age
Specify
- ☐ Racial / ethnic
Specify
- ☐ Gender
- ☐ Other

6. **We have surveyed the workforce:**

<i>Date</i>	<i>Population</i>	<i>Results</i>

7. **We want to have** (check one):

- ☐ Report of findings only
- ☐ Report of findings with analysis only
- ☐ Report with findings, analysis, recommendations
- ☐ Written report and presentation.

8. **We want this report by** (date): _____

9. **Our internal coordinator(s) will be:**

10. **Our primary contact person will be:**

11. **Our approval authority will be:**

12. **We presently have / need a plan to** (check all that apply):

Have / Need

- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Store the data |
| <input type="checkbox"/> | <input type="checkbox"/> | Control the data |
| <input type="checkbox"/> | <input type="checkbox"/> | Update the data |
| <input type="checkbox"/> | <input type="checkbox"/> | Incorporate response data |
| <input type="checkbox"/> | <input type="checkbox"/> | Fit these findings with other data |
| <input type="checkbox"/> | <input type="checkbox"/> | Fit findings with our strategic plan |
| <input type="checkbox"/> | <input type="checkbox"/> | Fit findings with other performance measures |
| <input type="checkbox"/> | <input type="checkbox"/> | Assess the value of the data |
| <input type="checkbox"/> | <input type="checkbox"/> | Distribute the report |
| <input type="checkbox"/> | <input type="checkbox"/> | Utilize report feedback |
| <input type="checkbox"/> | <input type="checkbox"/> | Implement recommendations |

Thoughts / comments:

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Chapter Six

The Role of Consultants

All wish to know, but none want to pay the fee

Juvenal



Doing absolutely nothing would be better than undertaking a half-baked organizational study that fails to deliver useful information and frustrates consequent management action. A poor project generates expectations that are unlikely to be addressed, and things will be worse than before.

Managers usually recognize they have neither the time nor expertise to undertake a comprehensive and systematic information gathering project and wisely use consultant services.

Some, however, attempt to do their own information project because they

- (a) try to save money,
- (b) want to control the process in order to manipulate or hide the results
- (c) fail to appreciate the expertise needed before, during, and afterwards.

My recommendation on doing your information study is *“Don’t; you won’t like what you get.”* If an organization establishes itself as one that really wants to know what the workforce thinks and demonstrates a willingness to act on that information, then with proper training, staffing, and a great organizational climate, doing an in-house study might work.

Most organizations, however, never get to that state. Even those with an on-going information utility probably find that an occasional survey by an outside provider is wise.

As discussed earlier, consultants are not commodities; they come with paradigms and techniques that are peculiarly theirs. While it is true that many consultants

have “canned” approaches they neither developed nor, perhaps, completely understand, they nonetheless represent the perspective of the author of whatever methods they use. It is critical, therefore, for management to understand the consultant’s orientation to make sure it is either compatible with their own thinking or one they would adopt.

An important qualification of a consultant is a good understanding of both research techniques and practical management. A person understanding only research might generate findings that have little practical management application. Also, the researcher might feel the need for a level of high rigor far beyond the needs, or even do-ability, of management. On the other hand, it would be unwise to rely on the findings of a person who neither understands nor respects the rigors for good data gathering.

Advantages of outsourcing

Using an external resource has several important advantages:

Professional competence: A person who has studied and has practical experience in research techniques can immensely improve the quality and value of the effort. A good management consultant can help managers think through their information needs and then design a process that will get the information. An outside consultant brings several important benefits:

Confidentiality: Confidentiality in individual interviews rests on people’s confidence in the interviewer who, as a rule, is given most to third parties with good credentials. Group interviews and focus groups provide little confidentiality. The biggest threat to source confidentiality in surveys is not some secret chemical in the paper that captures a respondent’s thumbprint; it is the demographic information necessary to understand the data.

When a survey respondent has identified herself as female, Hispanic, in the accounting department, a supervisor, with two years on the job, one can pretty well put a hand on her shoulder. External consultants have little interest in this kind of personal identification. Their concern is to

get the data entered so they can work the numbers. The form is then discarded. The report to the client provides only aggregated data.

For internal staff, whether management or not, the temptation to identify people with interesting answers is quite strong. There are few secrets in an organization and once a person has been identified, or people think it might be done or even that it *can* be done, they lose confidence in anonymity. Problems stemming from such a perceived breach of trust would be costly.

As noted above, when a system merits confidence in its ability and integrity, an organization can undertake a study with internal resources. There are those who feel that everyone trusts them enough to administer a study, but they are usually wrong. As a general rule, doing a self-study is like a lawyer who represents himself... (“has a fool for a client.”)

Not everyone appreciates the merits of confidentiality. The board of a social assistance agency, after numerous complaints from agency staff, undertook a study of the agency’s workforce. The results were harshly critical of the executive director and his department heads. When confronted with the results of the study the executive director said, “You can’t trust what people say on a confidential survey; they can say *anything*!” Exactly.

Cultural blinders: Cultural blinders stem not only from fear of sulphurous raving by the boss - a slight frown, even a paucity of enthusiasm, will do, especially as little, subtle signals accumulate over time. When someone brings up a subject and the boss gives him a hard look, perhaps just a look of boredom, that subject becomes one of those things you just don’t talk about.

Thus, the organization continually puts blinders on its members in countless small ways. An outside source, even one wary of upsetting the client, usually does not know about all the things people have learned not to talk about. Importantly, these areas are usually the very areas where good information is most needed.

Credibility: Because people think those things that have tended to be

ignored can now be safely brought out, an outside source makes the study findings more believable. By being able to analyze the data in an expert and contextual fashion, the outside source brings even more credibility to what might on the surface be unclear information. For example, an organization-wide average for a question, say, on trust, might seem a low average.

Analyzed by department, it becomes clear an overall acceptable average can mask very low scores in certain departments. Most people in the organization probably already “knew” this, but having a consultant “find” out and use the data to support his findings make the situation more clear and understandable.

A major consideration is that when the data are analyzed, management - even top management - might be scored poorly. It is not unusual for the problem to be tracked back to the CEO and key managers. Imagine that kind of information being shared between an in-house study team and its own top management. In the same vein, internal recommendations based on a study will likely suffer from the shackles of “we tried that before but...” or knowing “the boss does not like that...”

The pressure even on consultants to compromise the integrity of the findings can be strong, and the pressure on internal staff is overwhelming. Honest reporting and dealing with management on the results and follow-up are reason enough to use an outside consultant.

Objectivity: No one is completely objective because everyone views the world through a lens of particular interests and assumptions. It is important, however, to avoid the biases that develop in every organization obscuring the real situation. External consultants, although having their own particular approaches, can nonetheless bring a rigorous and systematic strategy that will help factor out front-end bias and render the kind of information management needs to take effective action.

Time and resources: An internal effort is generally squeezed into a busy work schedule such that it often gets too little time to do the study, analysis, and report. Also, it is easier for management to squeeze the budget or even the time that respondents have to participate. With an outside provider, the research is a dedicated effort, the costs are budgeted beforehand, and the study has more credibility, and therefore given more deference.

Beware the snake oil

If the study is to be done in-house, one can use the numerous standardized, computerized surveys, available on the internet or shrink-wrapped packages. Sample surveys of large populations that seek fine predictions (e.g., who will win an election) involve a number of statistical determinations requiring considerable expertise. To operate at this level, managers should be able to understand such statements as this one:

If all independent variables under consideration were orthogonal to each other, there is no need to choose from among several operational approaches. These operational techniques are commonly known as forward selection, backward selection, step-wise, a priority, and path analysis (a variation on the regression concept.)

Fortunately, the average manager who just wants to find out what the workforce is thinking does not need to get into that kind of arcane world. Many “researchers” insist on bringing a cannon to kill a gnat.

Esoterica, however, is no guarantee of being better or even being good. For example, a question from a proprietary employee survey reads: *Is the leadership team knowledgeable/up-to-date about strategic issues?*

Would someone in the mailroom be able to answer this question? Even people who might have observed top management in action would have to guess the meaning of that statement. One might understand what is meant by “leadership” and “knowledge,” “even up-to-date,” “strategic, and “issues.” When put all together, however, it is difficult to understand exactly what the question is

driving at. An occasional poor question will not be fatal to a good study, but too many questions that confuse respondents or make them feel stupid can color the way the study is viewed by respondents and distort their responses. One standardized professional survey uses these questions:

1. Overall, how satisfied are you with the supervision you receive?
2. My performance is evaluated against criteria that make sense for my job.
3. When your performance was discussed with you in the past, how often did you receive *practical suggestions for improving your work?*

I find item (1) too general in an area that requires more specific information, (2) too awkward and vague for easy comprehension, and (3) off target, i.e., the issue is not really “how often” and, besides, who counts such things? In other words, there is a lot of snake oil out there, and a poorly done study can waste time, money, and opportunity.

Consultant agreements

At some future time, you might want to change consultants. In this case, doing so should be your convenient choice. On the other hand, the consultant who has developed study methods, such as surveys, could reasonably expect rights to their use. Generally, the data is your property and the survey the consultant's. Use of the project methodology, content, and design should be through agreement. In considering future studies, management should consider several things:

1. Future studies are likely for a well-managed organization so the initial consultant should be selected with that prospect in mind.
2. Future studies will be more valuable if new findings can be compared with previous data. Who keeps the data must be clear.
3. In the event of a change in consultants, management will want the transition to be convenient and at a reasonable cost.
4. Conditions change, so the needs and focus of the study should change commensurately.

5. A new consultant is quite likely to have particular ideas about study methods, content, and design which could be good or bad,

Consultant work can involve proprietary information of both the consultant and the client. It is wisest to negotiate a clear understanding among the parties regarding the ownership and confidentiality of information at the outset. Here is some suggested language for a good-faith agreement. A true “gotcha” agreement, however, needs a lawyer’s touch.

To protect the consultant: This proposal contains proprietary work and information about our firm, its methods, and products. Such information is to be used for the client’s discussion and review in consideration of our firm’s engagement in consulting and research services. Upon accepting this proposal, the client agrees to respect the confidence of this information, to use it only for the purposes provided, and to provide reasonable care to preserve its confidentiality

To protect the client: The research and consulting engagement for which the consultant is being considered will include proprietary work on our organization. Such information is made available or generated through research solely for our purposes. The consultant agrees upon accepting this RFP/engagement to respect the confidentiality of this information, to use it only for the purposes provided, and to provide reasonable care to preserve its confidentiality.

If management wants the consultant to keep information, it could add such provisions as the following:

The consultant agrees to maintain and backup all data in this project for a period of X years or until released from this responsibility by us. In the event that the consultant becomes unable to maintain this data, the consultant will notify us so that we can take appropriate action.

The consultant also agrees to make this information available to us at a fair and reasonable cost and within a reasonable time upon our request. We reserve the right to take possession of any and all information related to this project that was not prior to the project and proprietary to the consultant.

One of the contributions of a consultant is an understanding of how information is integral to effective organizational management. We look at these next.



*We can be knowledgeable with other people's knowledge
but we cannot be wise with other people's wisdom.*

Montaigne

Chapter Seven

Methods of Gathering Information

*What one knows is of little moment;
they know enough who know how to learn*

Henry Adams



A manager’s role in organizational information gathering can vary from having direct operational responsibility to working with a consultant, serving on a coordinating committee, or simply being responsible for dealing with the findings. Whatever a manager’s role, it is good to have some familiarity with the methods and strategies of information gathering.

As we have discussed, management must make many determinations before launching an information project, and will probably negotiate with a consultant before, during, and after the project. The following chapters cover the critical areas of information gathering - not so much to make a manager a researcher, but to enable a manager to manage a researcher.

The Organizational Rationality Audit Syllabus at the end of Chapter 4 illustrates a number of ways to gather information about the workplace. Each method has advantages and limitations, and an effective organizational assessment would involve several different methods such as:

Surveys	Performance reviews	Observations
Mini-surveys	Training programs	Tracking
Interviews	Selection assessments	Sign
Focus groups	Published materials	Artifacts
	Process Review	
	/Performance Audit*	

* Process review is discussed more fully in the next chapter.

Surveys

The bedrock method for organizational study is a survey. Even when other methods are used, planning for a survey provides an excellent matrix for a comprehensive, multi-method information gathering project. Most projects involve surveys because they provide a number of benefits other methods cannot do well or at all:

- *organization-wide scope* (other techniques, such as focus groups and interviews involve a smaller, limited representative group)
- *comprehensive range* (other techniques can address only a few issues at a time)
- *inherently numerical data* (other techniques are generally qualitative and highly interpretive)
- *inherently comparative data* (being numerical, survey responses can provide a benchmark and progress measures over time)**
- *industry-wide data* (because surveys use metrics, data from one organization can be compared with others. Similarly, data from one group or aspect, maintenance or fleet operations, can be compared as well.
- *standardization* (the large number of surveys has produced a set of core questions that comprise something akin to “standard” survey, thereby making data more comparable.
- *IT suitability* (creating a computerized survey and working the data for correlations, etc. can be easily done by any competent IT professional, excepting some of the non-numerical parts of a survey such as comments).
- *adaptability* (can be changed to suit different situations but changing questions can reduce data comparability)
- *established technology* (there are many tested instruments available on the market, and the expertise for developing a customized survey is abundant and not too expensive).

** This is called a *longitudinal* study.

While surveys offer a number of advantages, they also have limitations. Survey data are good for the time the survey was administered, although a follow-up survey can show change over time. (Chapter 11 discusses this point more fully.) People's tolerance for completing surveys limits their frequency. Because of the limits in workforce "survey-ability," continually tracking changes requires the use of other methods. As a rule, a survey every two years is frequent enough.

Surveys "see" what they are designed to find. Those questions that do not get asked or that can be misunderstood can miss important information. For example in a survey of a healthcare facility, 80% of the employees indicated they were generally satisfied with the work environment, but six months later voted for a union. The level of employee "satisfaction with the work environment" was not what the employer really needed to know. This example also demonstrates the need for both asking proper questions and asking questions properly (discussed more fully in Chapter 9.)

Surveys can locate a problem but cannot explain its nature and cause, information necessary for effective action. For example, a survey might find that there is a low level of "trust" among the workforce. It might even reveal that the distrust is of management by employees and, perhaps, the converse as well. It might also locate the problem by department, site, or function. The survey will not tell us, however, the cause, source, or nature of that distrust - the very kind of knowledge management needs to act.

While a survey is an important first step because other methods can lack the comprehension, efficiency, and metric qualities a survey provides, most other information gathering methods are limited and primarily useful as supplements, albeit highly valuable ones, to the framework provided by a survey.

Mini-surveys

Management sometimes needs a quick reading of the workforce on a specific issue, such as preferred vacation days or menu for a party. If the matter is not sensitive and confidentiality not a consideration, short surveys, perhaps through e-mail, can provide quick feedback. Mini-surveys can be frequent and regular, say, every first Tuesday morning, without wearing people out. Asking the staff about piped music, colors for the offices, etc. can be quick, accurate, and

efficient--and appreciated. Moreover, this information can be observed, tracked, and correlated with other information, perhaps making it even more useful.

Interviews

There is hardly a better way to find out what people think than to ask them and then listen. When people sense that they are truly being listened to and think something will be done about it, they tend to open up. In a personal interview a knowledgeable researcher can also observe the full range of responses from articulation to nonverbal indications, thereby getting a better “feel” of the information. While, a survey has broad reach, typically looking at populations of hundreds or thousands, interviews are essentially individual, though they can be conducted in groups as well.

Interviews are labor-intensive for researchers and staff, and, therefore, an expensive way to gather information. It is more cost-beneficial to explore possible issues with a survey, and then use interviews to explore a particular issue in depth and probe what the survey numbers mean.

People in interviews put their anonymity at some risk. This potential problem can be overcome if they trust the interviewer and sense that the thrust of the interview is properly focused on business issues. If personalities are to be discussed, as is often necessarily the case, it should still be within a positive business context. Interviews can involve a large number of people. While most key people need to be interviewed individually, some staff can be interviewed in groups.

Focus Groups

Large organizations must rely in large part on focus groups that involve a relatively small number of people. A large organization might have a handful of focus groups of, say, 6-12 people each to represent thousands of staff. Group interviews do not anticipate a great diversity of opinion on the subject to be discussed, but focus groups are usually formed to represent diverse areas.

Because focus groups are likely to represent large and diverse groups of people, they are handled in a different way than work groups. Focus groups typically have a more narrowly defined purpose and likely use facilitators to guide a

highly structured discussion. They also typically use a systematic approach such as a cause-effect diagram approach, value sorts, affinity sorts, or other problem-solving tools.

Observations

As Yogi Berra once said, you can see a lot just by looking. We can also *miss* a lot by looking at the same things too often, becoming blind to problems and conditions in their work. Psychologists call the process of becoming so familiar with our surroundings that we no longer notice them, *habituation*. This tendency to ignore what is most familiar around us can be altered by either an outside observer calling it to our attention or an observation system that *refocuses* the attention of the observer with new information.

One such system that keeps the environment scan fresh is Thomas Krause's "behavioral-based safety process" which schedules employees to observe the work of their peers (Krause 1990). Having a system where an observer from the workforce looks for work done safely rather than having a supervisor looking for errors, sensitizes and directs people toward positive and constructive work practices. Thus it generates valuable management analysis data for both safety and production.

The quality movement has generated a number of observation tools, such as check sheets, Pareto charts, affinity diagrams, etc. These methods, while intended for technical process data, can be quite useful in generating information on workforce and organizational behavior.

Incident Review Boards

One chemical plant used *Incident Review Boards* or IRBs to investigate and gather facts initially about safety and environmental incidents. The IRBs worked so well they were used for other incidents, such as sexual harassment complaints. The IRBs were formed from a pool of trained investigators among the workforce and included no supervisors or managers of the incident area. The boards only issued "findings of fact," offering no recommendations for action. Its fact-finding, however, was much better than the company would otherwise get.

The IRBs had other benefits. For example in one case of a chemical spill, the

work of the IRD and the company's good faith it demonstrated, so impressed the EPA that the agency issued a surprisingly mild letter to the company. When a person, who had complained of sexual harassment took her case to court, the IRD finding and its investigation were so sound that the company easily won the case. And, because the workforce was involved in the investigations, it was more sensitive to the causes of incidents and more alert to preventing them.

Tracking

Tracking is a form of observation that can be traced back to ancient Chinese merchants observing the number of times prospective customers blinked their eyes, a technique still used today in merchandising design. While interviews and focus groups might still be needed to explain the data, tracking metrics can provide both new insights and information to validate or explain data from other methods.

Tracking employee behavior, much like the old time and motion studies, can measure degree and time of attention, repetition, and patterns of visits. Tracking can even tally psychological responses, generating useful benchmarks and progress measures in quality, productivity, waste, etc. Such information with regard to signage and bulletin boards can be quite useful in dealing with communications issues.

Tracking and observations can provide a positive element to work improvement. When peers are doing the tracking or, at least, when the outside observer has been introduced in a non-threatening way, employees can be involved in the analysis and improvement effort.

Sign

"Sign" is a term used by hunters referring to evidence of animal activity such as droppings, scrapings, scenting, etc. It is a way that the hunter can "tune in" to animal communications. Human "sign" refers to those things such as trash, worn carpets, etc. that people leave behind in their activities.

Work places are full of sign. When arriving at a factory to begin a consulting engagement, I noticed a 50-gallon steel drum by the main door for discarded used ear protectors as people left the plant. There were more ear protectors on the

ground outside the drum than inside it. When I mentioned this to the plant manager, he said he needed “to teach employees how to throw better.” The ear protectors on the ground were not a problem of aiming: They were a message of employee dissatisfaction with management, the specifications of which were determined later through a survey and, especially, interviews.

Sign can be quite revealing. When I was executive director of a national association, I inspected numerous meeting and convention facilities. The way a property was managed was evident in the first few minutes from the numerous small signs of care or neglect, courtesy or lack of concern. Seasoned management consultants can often make the same initial assessment of organizations by just walking around and observing. Unfortunately, this same sign can go unnoticed by staff through habituation, poor performance management, or morale issues (resulting in such things as, in the case of the ear protectors, passive aggression).

Sign can be good or bad. Hand-scrawled comments on official memos on the bulletin board, *Dilbert* cartoons posted on walls, doors, or cubicles, and trash on the floor reflect employee concerns. Happy cartoons, birthday cards, balloons, flowers, and the absence of trash are signs of employee pride. Everything people do to express their views about their work, workplace, or each other provide pieces to the information puzzle.

Artifacts

Organizational studies are a form of cultural anthropology, i.e. a search for understanding “human social structure, language, law, politics, religion, magic, art, and technology.” *Organizational anthropology* is an academic term, but its methods and insights work for understanding business organizations. The concepts, systems, and methods for gathering and understanding information about corporate culture and conditions are known, well tested, and easily available.

“Artifacts” are things created by people for particular purposes. They differ from sign in that they tend to be intentional, even official, items of business. Organizational artifacts include memos, manuals, vehicle condition, bulletin boards, suggestion boxes, parking places, and office placement, size, and decor.

More convenient parking for management, up-to-date personnel records, and job descriptions are informational artifacts. Casual dress and tonsorial flair can be the sign of a sloppy, undisciplined outfit or of a highly creative group of people. The information is everywhere *if* you know how to understand it. The key is to find out *why* things are as they are.

Records

Records would seem obvious sources of good information. In many cases, however, records are just stored and forgotten. They contain things you might “have to have in case...” rather than useful sources of information. Because records are often neglected, they can be a problem when a crisis hits. For example, a person being terminated for poor performance can have a file full of laudatory evaluations and a history of routine raises. For this reason, many managers purposefully keep information out of the record, a poor alternative to having good management and good files.

Customer complaints, safety near misses, absenteeism, equipment maintenance, and other problems are rarely reviewed systematically or on a continuing or even periodic basis. Only when things have gotten to a state of crisis do records seem to get a review - and then only to justify an already made decision, such as a termination. A major customer loss, lawsuit, or perturbation by the CEO might prompt some review of records, but generally it is narrow and short-lived. Consequently, information that indicates developing problems or opportunities is simply not perused. Had management an appreciation of the potential value of using record data in business analysis, records would likely get more attention and better care.

Performance reviews

Performance reviews, like job descriptions, rarely reflect actual work expectations or actual performance. Performance reviews tend to be brief but trying annual interruptions that occur at the insistence of the human resources department. Except for this “annual agony,” performance reviews are pretty much ignored because, to repeat, they are irrelevant to one’s actual work.

If performance reviews were used properly, they could contribute critical data to management’s information set. Narrative reviews without metrics tend to be trite

and repetitious. Numerical ratings, supported and explained by narrative, could be valuable and usable information. (English 2001).

Such varied organizations as Publix Super Markets and the University of Indiana have intranet review processes. Publix Information Services staff project team members review each other after a project concludes. A review form using a computer spreadsheet program makes it easy to capture and use review data without compromising desired confidentiality. Performance review data, e.g. supervisor's rating on planning, communication, or problem-solving can also be used to assess training, reward systems, management and supervision, process changes, etc.

Assuming appropriate content and validity, 360-degree assessments can be used to measure performance results and provide useful metrics. A *competency-based*, rather than *personality-based*, 360-assessment gathers information about a manager's performance from those who are in a good position to know - the manager's boss, peers, and direct reports.

A survey can provide performance measures if the correlates are set up for that purpose. For example, the *Quality Conditions Review* (an example is provided at the end of Chapter 13) allows management to assess workplace conditions under any manager or supervisor. By asking subordinates about such things as working relationships with other departments, access to needed equipment and resources, and work planning, management can obtain valuable information about both the condition of the organization and the performance of supervisors.

Selection assessments

As discussed earlier, psychological assessments for hiring, deploying, and promoting, can generate useful data for the information mix. For example, "trustworthiness" assessments that explore a person's attitudes toward theft and substance abuse can be correlated with shrinkage and positive drug screenings. Some assessments look at a candidate's likelihood to stay with a job; these can be compared with turnover data. Job suitability assessments can be used to track an individual's job success, as well as group and overall organizational performance.

Over time, management can refine both its selection processes and orientation for newly selected staff. The earlier example of a long-distance telephone company's first-year sales staff performance is instructive.

Training and development

Most people think about training programs as an opportunity to give out information. These can also be excellent opportunities to get information. For example, some activities take the form of mini-surveys. When training supervisors I often use the *Supervisory Relations Assessment* which asks participants to respond to such statements as this: *My supervisor compliments me on my work* on a scale ranging from *Never* to *Sometimes* to *Always*. This information can be used to look at the general condition of supervisory-direct report relationships.

360-degree surveys, while providing performance measures, should be used primarily for developmental purposes and can also be used in the information mix. Still another useful training instrument is the *Organizational Climate Survey* mentioned above. Again, these data have application for more general information purposes than just the workshop. Such information can provide pre- and post-assessments to measure the effectiveness of the training itself.***

Comprehensive or combination studies

Several sets of instruments combine assessments for an individual, the work groups, and the entire organization. When this set of data can be matched, management has a powerful array of internal information to work with. Management can analyze the relationships among various organizational elements and design more targeted improvement programs.

The cost of getting such information through a single study is probably better

*** Confidentiality in surveys is critical. One way to ensure confidentiality of mini-surveys done in a training setting is to have each participant put a special mark on the back of the form. They can then be collected, redistributed, and tallied by the participants. People can later retrieve their own forms from a table where they have been placed upside down with their special mark showing.

than if several studies were required. Examples of such assessment packages are *MAP/Excel* from HRD Press and the *Circumplex* from Human Synergetics.

However, like everything else, combination packages have their downside. Some of the assessments might not be what is needed. For example, the individual assessments such as the Myers-Briggs or DISC assessments might use a “style” approach, which do not measure aptitudes and abilities. Style assessments also tend to have shaky reliability, making them questionable as a basis for serious development efforts. The mix of assessments might not match each other very well because they were not designed from a common base. The various instruments and their data might not fit other organizational data or, most importantly, they might not fit management needs.

The biggest problem with off-the-shelf combination packages, however, is the same as with all shrink-wrapped products - they measure what they measure, not necessarily what you want measured.

Personnel data

Human resource departments usually keep records of absenteeism, tardiness, employee assistance participation, training, etc. This information can help management prevent rather than react to situations. For example the number and characteristics of people who apply for employee assistance programs can give a good indication of the level of anxiety and frustration in a workforce. Even tracking the number of people who *inquire* about EAP could be useful; that information in the aggregate could indicate a developing problem. One of the reasons for having good internal information is to spot a problem before it gets unmanageable.

A touch-screen computer terminal at the work site would allow employees to access information or make inquiries about policies or leave days available even allow an employee to apply for leave. This would ensure that the single source of information on personnel policies and procedures was current and accurate and save hundreds of staff hours. It could also provide instant data on the workforce interest in leave times, EAP, clarity of certain policies, etc. Ready and frequent employee input on, for example, the gathering of vacation preferences through local terminals is tantamount to an on-going focus group. In an

information utility, such information could be useful in staff and production planning.

Published studies

Getting information on one's own organization is useful only if compared to some standard to provide meaning. The local public or university library is an obvious source of industry, professional, and technical information for comparisons, but it is too often overlooked. In many cases, the wheel has already been invented. Most libraries have books, articles, government documents, and internet access with information about many of the issues management faces.

Sometimes such reference data can provide helpful information *before* an internal action generates information of its own. For example, many operations institute shifts or altered workdays without any real information about likely results. Libraries can provide information on numerous government-sponsored studies on the effects of various workday models, e.g., four 10-hour days, three 12-hour days, or five 8-hour days, on work productivity and safety.

Armed with such information, even if management decides to use, e.g., a 4/10 schedule, it would be informed about the likely problems to occur, have measures to help spot problems for early intervention, and have comparative data for tracking its own progress. Management can also compare its experiences with the published data.

Professional associations often publish studies or reports about workforce characteristics that can be used for comparison. The Employee Development and Training Benchmarking Association and its affiliated Human Resources Benchmarking Association are directly concerned with benchmarking. Other human resource-related organizations also have good information such as the American Society for Training and Development, the Society for Human Resource Management.

New technologies and new challenges

The Internet has helped create new ways of gathering organizational and employee information. Surveys can be administered on the internet and even provide an on-going input stream. Through "video streaming" technologies

improve the ease and effectiveness of video conferencing, focus groups can be observed live and in real time from remote sites. Focus groups can be much more representative and cost efficient. In addition, widely separated observers can hold a video conference about their observations afterwards.

Expect significant new capabilities in information-gathering technologies during the coming years, but be prepared to deal with decisions about what information to attend, who should keep it, in what form to keep it, who can use it, who can change it, and so on. The management of information will be challenged to keep up with information technologies so that the technologies are tools, not masters. In gaining and exercising this control, concepts such as an information utility will be as important as new techniques and technology.

* * *

Optimizing an operation means rationalizing the work processes which involves two steps:

1. Determining what the work processes actually are, then
2. Adjusting them to an optimal state of alignment.

The primary cause of failures in step 2 is a failure of step 1. We look at gathering process information next.



*Learning teaches more in one year
than experience in twenty.*

Roger Ascham

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Chapter Eight

Information and Process Improvement

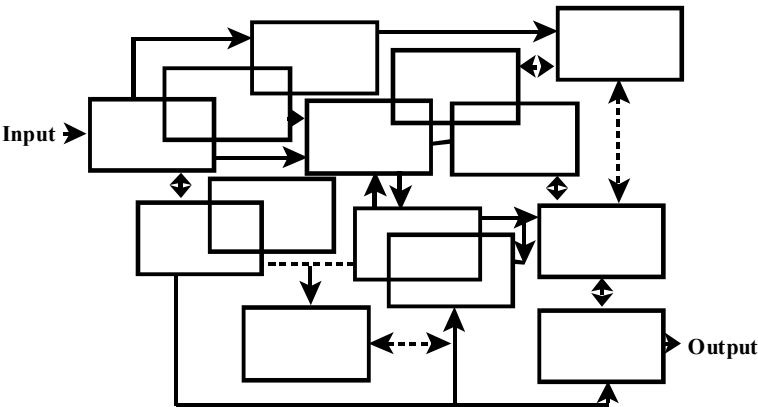
*Every scene, even the most common,
is wonderful if only one can detach oneself
and behold it as it were for the first time.*

Arnold Bennett

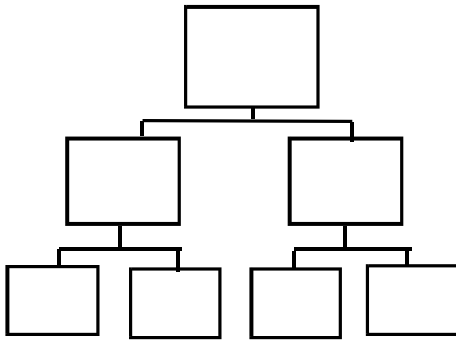


When done properly, process improvement can save money, improve quality and productivity, and assure customer service. When done improperly, process adjustments can generate harmful disruptions, employee turnover, increased error, and customer service problems.

The chief causes of dysfunctional process change seem to be two-fold. One is trying to manage something like this:



While thinking like this:



It is not unusual to see managers try to “reorganize” around operating problems, personalities, and politics. The organizational chart gets changed, but somehow the problems remain the same.

Process discovery

The second reason for poor results in performance change is a lack of true knowledge about work processes. Even in small operations where people work closely together, there may be wrong knowledge. For example, in a process review by a county government agency, several desk clerks, their supervisor, and the department manager each listed what they thought were the basic steps in a customer service process.

When they compared notes, they found that each had a different version of what the process should be. Being intelligent and well-intended people, they quickly agreed on a single work process. While this new consensus helped to remove sources of errors and interpersonal conflicts, it did not necessarily improve customer service or improve the process itself.

Understanding work process is not the same as *improving* those processes. Each travels the same road but in a different direction. Improvement starts with the *desired outcomes* and works backwards, looking for customer disappointments, quality deficiencies, and process failures. Understanding, on the other hand, starts at the *point of process inputs*, e.g. a sales or repair order, and follows the

activity flow through to the outcomes. Process analysis is a performance audit that seeks an accurate description of existing realities to provide some baseline of accurate knowledge. Effective improvement begins at the point where accurate and comprehensive knowledge has been established.

This distinction is necessary because many people tend to *define a problem as an absence of a solution, usually their own*. “We have a training problem,” rarely means that a *trainer* is inept; rather someone has faith that process or performance deficiencies will somehow be remedied through “training.” In this way, a “solution” is applied without any real understanding of the problem or its causes, and often with disappointing results. It is important, therefore, to learn first what *is* before trying to move to what *should be*.

Sometimes nobody knows

Routine operations are usually the least analyzed part of any operation and, therefore, the most likely to contain hidden sources of problems in quality, productivity, cost control, and customer service. People adjust to obstacles and impediments like a rock in the road by working around them. Eventually, such problems sink below conscious awareness and become part of the work process and the “cost of doing business.” Waste is now built into the system.

What “everybody knows” is the least likely to be questioned and, therefore, is probably a fruitful area for improvement. If a work group has not analyzed its work processes within the past six months, certainly within a year, there would be a lot of surprises.

A great deal of modern management literature is devoted to work process improvement including other works by this author. Most of these works assume that management has adequate information about what people are doing to guide and measure improvement initiatives. My experience has been that such an assumption is rarely valid, yet it is often the rock upon which many good improvement ideas crash.

When interviewing, I usually begin by asking, “What can be done around here to (improve the operation, accomplish company goals, improve customer service...).” While the people doing the work usually have a number of ideas for

improvements, sometimes they attribute problems and causes to outside factors and are blind to their own deficiencies. Process review is a good cure, as the following example illustrates:

In petroleum refining, accurate and timely laboratory reports are critical at every process stage so that operators can make proper adjustments. An error in the lab analysis or a delay in that information can result in tens of thousands of dollars lost in off-grade product. One such lab was the subject of numerous complaints by refinery operators in both the quality and timeliness of its reports. The laboratory was also a “problem” unit typified by employee complaints and poor morale.

In analyzing the lab, survey data and interviews pointed toward the usual suspects - i.e., the supervisor, shift leaders, and management-but it did not help define the reasons for these problems. The general smugness of the lab technicians, i.e. that they were doing everything well and the problems were with leadership, was only half true.

Leadership was indeed in need of improvement, but it was also clear that the technicians were not performing well either. The first step was to (a) identify process problems and (b) help the staff become aware of the need for everyone to improve.

We decided to map a testing process that “everyone knew.” Dividing staff into two groups, we asked each to indicate all the steps of a given testing cycle, from receiving an order and sample to issuing a report. Each group was to list each of the steps on 3x5 inch cards and then array them in sequence on a table. Each group had difficulty agreeing about the proper inclusion and sequence of the testing process, but eventually they reached consensus.

Each group was then asked to review the process indicated by the other group and make any adjustments they thought proper. It quickly became clear that, to each group, the other group's process map was flawed. As the groups jointly discussed their differences, it became further evident that there were almost as many versions as to what was supposed to

transpire as there were people involved. Even the consensus that the groups had originally reached became unstuck. The need to resolve the confusion about this “routine” testing procedure - and assess the other lab procedures - became clear to everyone.

Confusion and disagreement about what was thought to be an established, ordinary process are not unusual - nor is a difference of understanding among a manager, supervisor, and the person actually doing the work. Whatever the technical process is on paper, the real process is what people do. Information about what the workforce sees as the work process, performance standards, etc. is so critical to effective management that if an organization can do only one information finding activity, this should be it.

The “no poof” principle

Work process analysis can be such a profoundly revealing event that one should not go into it without properly preparing everyone for it. “Preparation” requires establishing a proper mindset and rules through training and agreement among the parties. The following rules are critical:

No fault. The first rule must be that there is no blame for problems found; that is a critical first step to their solution. Rather than look for a goat, make a hero of who makes the most improvements.

No left-outs or holdouts. It does no good for just the big shots to voice what they think is going on. The people who actually do the work are the ones who actually know, and they must contribute fully and accurately to get the job done. Otherwise, the findings will not be true, and any remedy based on them will be off-target.

No poof. Every action must be described in the active voice, never the passive. If one says that “the report is sent to the shift foreman” then the process becomes magical where a report must somehow deliver itself and no one really has responsibility. It is better to say “the assistant lab technician places the written report in the shift supervisor's box and telephones the shift supervisor key operator with an oral report.” It is now clear what is supposed to happen and who is supposed to do it.

Process assessment methods

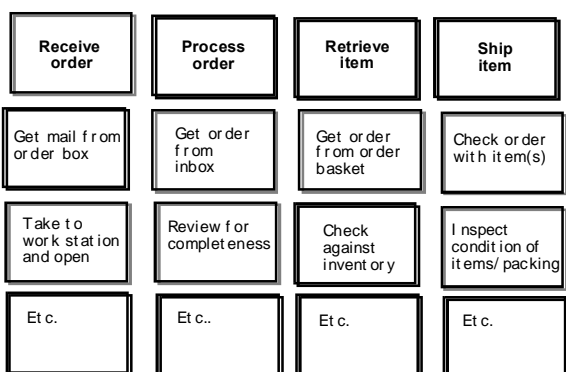
Surveys, interviews, focus groups, etc. can provide a great deal of information about the organizational environment and workforce opinions. We look at these in several of the following chapters. A clear and accurate understanding of how people actually go about their work, however, requires studying work processes. To emphasize an earlier point, many managers and employees are unaware of their own work process deficiencies. Fortunately, methods for obtaining process information are known, proven, effective, and not very costly.

Such methods as *process mapping*, *flow charting*, and *block diagrams* are commonly used for specifying and tracking work processes. Each of these methods can be used, alone or in combination, to detail work processes. They are particularly useful in identifying cross-functional workflow, information flow, and group processes as well. The organizational chart has a certain comfortable neatness about it but, to really understand what is going on, one must know the workflow.

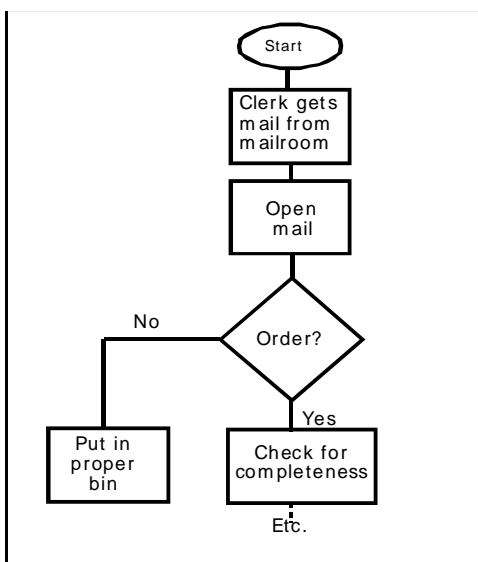
There are several excellent references for those who want to learn more about each of these methods listed at the end of this chapter, but a simple illustration will serve our purposes here.

Process mapping. This is a fairly simple method of listing the steps of a process in sequential order. Slips of paper or 3x5 cards are used and simply laid on a table or posted on a wall or board sequentially. The primary goal is to list and agree on all the significant steps and to arrange them in proper order.

A fancier and more useful way for complex or lengthy processes is to line the cards under process categories such as accept the order, process the order, retrieve the item from inventory, and ship it. The steps can be something like the following:

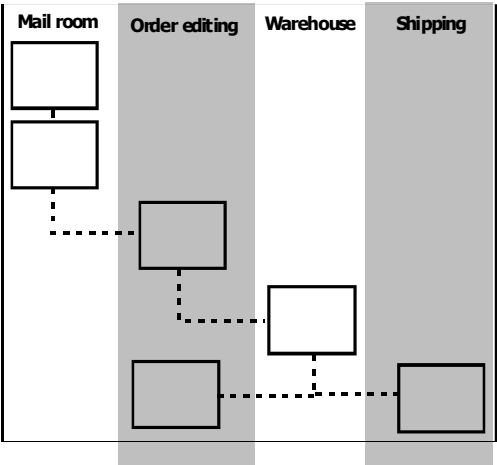


Flow charts. Drawing a flow chart requires a bit more discipline and know-how but has other benefits. It can denote decision points and the subsequent activities that can flow from different answers. Flow charts can also indicate interrelated processes as well as parallel activities. The boxes can also indicate standards, time involved, and other useful information. Here is an abbreviated example:



The chart would indicate each process step until the deliverable was completed. One should bear in mind that the more complex and difficult the process mapping, the harder it is to do the job quickly and with full employee involvement. A good strategy is to use a simple process map or flowchart to outline the principle process steps, and use a more detailed process map for specific parts. Another option is to leave the complications to an engineer or other expert and have the work group review them.

Block diagrams. Combining many of the qualities of process mapping and flowcharting, block diagrams allow one to identify the significant process steps and integrate these steps with other activities. For example:



Again, block diagrams can be simple or complex, short or lengthy. They can be laid out on a piece of paper or cover a wall. the boxes can contain notations about the activity such as cycle-time, standards, staff requirements, etc.

Work process studies reveal what actually happens in an operation, but that is only the beginning. The next step is to gather information about these processes that can be used for analysis with other workforce and organizational factors garnered from surveys, etc. For example, a work process can be timed, assessed

for percentage at standard, and so forth. There are several established methods for doing this analysis.

Cycle-time. Cycle time assessment is less a method than a special use of the other methods of process analysis. The interest here is not just what is going on but also how much *time* it is taking. Every process involves activities (events over time) that add value and those that do not. The objective of good management is to maximize the former and minimize the latter.

In their book, *Cycle Time Management*, Northey and Southway report that *90% of most work activities were non-value adding*. Even in a case where a company was delivering ahead of promised schedule, e.g., 10 days on a promise of 35 days, there was actually only *20 minutes* of actual value-add activity in those ten days. Not surprisingly, it was found that on the average about 60% of work time was taken up doing things *for* support services.

Managers typically estimated the value-add percentage of their work processes to be about 60-80%. Subsequent analysis, however, found that an average of about 10% of some processes were only 3-5% value-adding. Workflow tracking and analysis are organizational and workforce assessments in that the essential information and much of the analysis must be based on workforce information and knowledge, as noted by Northey and Southway (1996):

While outside experts can draw up flowcharts and expose some of the waste, they are unlikely to eliminate all of it. Only the person doing the job knows where *all* of the nonessential activities are allocated. That is why it is so *important for all employees to become involved in the elimination of waste. If they are excluded from the process, some of the waste will certainly remain buried, and, worse, will impede the cycle time reduction process.* (Emphasis added).

The findings of Northey and Southway get us back to our central point: To optimize an operation the workforce must be fully involved. For management to control such an environment, it must have appropriate, on-going, and accurate

information about the workforce and organization available to it when, where, and in a form needed. The solution I propose is an *organizational information utility*, which is introduced in the Chapter Twelve and Thirteen.



*Neither a work of nature nor one of art
can we know when they have been finished;
we must surprise them in the process of being created.*

Goethe

Chapter Nine

The Craft of Query

You can tell whether a person is clever by his answers.

You can tell whether a person is wise by his questions.

Naguib Mahfouz



Contented cows might give more milk than nervous ones, but contented employees do not necessarily give more work. The key factor is what employees are pleased about. If they are happy because the work is easy, management does not hassle them, and the pay is okay, then the organization has a lot of contented cows. If they are happy because the work is challenging, management is supportive, and rewards are truly based on performance, then management has race horses.

The design of inquiry is critical to any information gathering effort. Queries that look for some sort of “happiness index” will not tell management what it needs to know. More on target are questions about appreciation of work, suitability of management support, rationality of work situations, and appropriateness of rewards. Before deciding what to ask, a review of Chapters Four and Five might be useful.

Focus and phrasing

Not only must the inquiry be properly focused, questions must be properly phrased. One person’s good question is another’s confusion. Just because you have something particular in mind when you ask a question does not mean that is what respondents will be thinking when they answer it. You may be thinking about the overall organization when you ask about teamwork, but respondents may be thinking in terms of their own department or some of the support services, such as personnel or maintenance. The survey statement “Sometimes you just have to take risks to get the job done” can mean something quite different for remote managers who see decisions as often risky and people on the shop floor who see stopping equipment for adjustments as bothersome.

People and work situations tend to be more similar than different, at least where managing people is concerned. Managers can, therefore, test research techniques and technologies over a period of time and under different organizational conditions. Every organization should have a survey designed to fit its particular needs, but the questions and methods should be those that have had the problems refined out through experience.

Most organizational and workforce surveys do not contain questions at all, but rather ask people to respond to a statement, generally by indicating their degree of agreement. Consider the following question:

	Strongly agree				Strongly disagree			
<i>Work priorities change all the time.</i>	5	4	3	2	1			

In a survey, answer selection to “questions” can be awkward (*Yes, Frequently, Sometimes, Occasionally, Rarely*), so queries tend to take the form of statements. For interviews, a query can be turned into a question quite easily: *Do work priorities change often?* Or: *Are your work priorities clear and consistent?* Since interviews usually follow surveys and are guided by their results, an interview question might be more like: *The survey found that many people felt their work priorities changed often; have you found that to be true?* Or: *Why do you suppose that is?*

The example above is different from most queries in that it is a *negative* statement, i.e. by agreeing one is making a negative response. An entire survey of negative questions would seem to beg for negative criticism or at least more negative than people would ordinarily be. For that reason, negative questions are best avoided altogether for interviews. Positive questions, for some reason, do *not* seem to put a Pollyannaish coloring on queries.

In interviews negative questions can be asked for clarification:

Are you saying management does not reward good work?

In most methods, the queries can be easily focused. In surveys, respondents might wonder whether a query refers to their particular work group or to the

organization as a whole. In such cases, they can be instructed to answer regarding whatever is most significant to their work or most pressing in their mind. This approach allows respondents to express their most strongly felt position. Also, they can make distinctions in the comments section, which is tantamount to a written interview.

These solutions are not ideal, but they usually do not significantly affect the results of a survey. The problem is that you can easily double the size of a survey asking about the work group, department, and organization as a whole on many questions. Still, there are times when being organizationally exact can make a difference. In such a case, the same questions may be asked for each organizational area:

If I do a good job my supervisor really appreciates it.
If I do a good job upper management really appreciates it.

Surveys, indeed entire projects are often negotiations among parties as to what is important to know and what questions best tell you that. Surveys can range from a one or two-question survey as a part of employee’s e-mail to one of behemoth proportions. I have an example of a survey that is 19 pages long and has 339 questions! My experience indicates a survey form of 4-6 pages, 8.5 x 11 inches works well. Anything less and you are probably not asking enough questions to justify the effort. Anything more is probably too much.

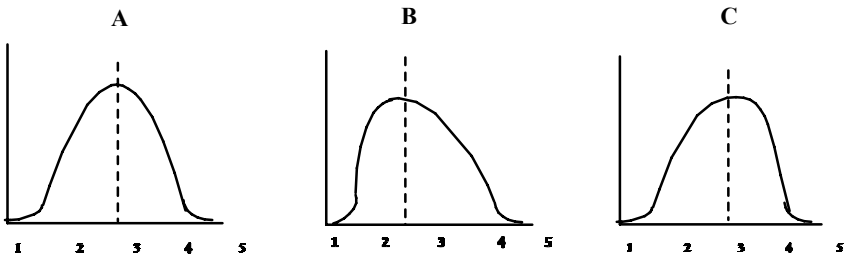
Every means of inquiry has limits--interviews by time, cycle-time studies by project, surveys by respondent tolerance. Precision is good but, like everything else, has a price. One must consider the patience and attention span of the respondents and how the survey will be delivered. One option is to design the survey with several answer choices:

	Our Unit					Org'l Wide				
<i>A good job is really appreciated.</i>	1	2	3	4	5	1	2	3	4	5
<i>We are kept aware of what is going on.</i>	1	2	3	4	5	1	2	3	4	5
<i>I feel comfortable speaking my mind to management.</i>	1	2	3	4	5	1	2	3	4	5
<i>Etc.</i>	1	2	3	4	5	1	2	3	4	5

Structuring survey responses

The most common way of structuring survey responses is with a Likert scale, in which a person is invited to agree or disagree with a statement. The Likert scale can capture the direction of the response (positive-negative) and the intensity (strongly or mildly). Highly intensive feelings are unusual, and most people will either agree or disagree somewhat, or be neutral. The natural tendency of responses, therefore, is around the mean, i.e. 3 on a 5-point scale. This provides a center point around which to fashion a *norm* for a perspective or reference point. If the average skews right or left of 3, one gets an immediate sense of a tendency’s direction and intensity.

The following example shows a normal distribution of 3.0 (A) and one that indicates a negative typical response 2.7 (B), and a positive response of 3.3 (C):



Generally, surveys offer a 5-choice scale, although some provide 3 or 7. There may be some need for so few or so many choices, but probably not for a normal workforce survey. A “3” seems a bit too limiting and forces more extreme choices than might be actually felt. A 7-point choice, on the other hand, seems to call for a distinction that most people cannot really make. The 5-point scale, therefore, has become the standard.

Some people prefer a “forced choice” in which there is no “neutral” answer, by offering only an even number of choices:

Strongly agree / Agree / Disagree / Strongly disagree
4 3 2 1

One consulting firm structures its questions with an even number of labeled choices but gives a range between two opposite statements (McBer, 1975):

Mistakes in this organization are not tolerated			X				Mistakes in the organization are allowed
---	--	--	---	--	--	--	--

Those advocating forced choices are concerned that people will take refuge behind the more neutral 3 rather than indicate their true feelings. There are situations where forced choices might be of value, such as in political or product opinion polls, but they do not seem suitable for workforce assessments. A “3” on a scale of five is hardly comforting to most management, especially to such statements as “I have a good sense of work priorities.” Moreover, I have not found people so timid in expressing their opinions on surveys.

Data based on a forced position is not necessarily better information. People often do not have strong feelings about many issues, and that fact needs to be known. Also, an average of say 3.0, which is highly likely, only takes you back to the area that one wants to avoid, i.e. neither agree or disagree. Again, the 5-point Likert scale has become the industry standard.

Clear directions must appear at the head of a survey so people have a clear understanding of what they are to do:

Part II. Instructions: Please circle the number that best shows how much you agree or disagree with the accompanying statements using the following scale:

1=strongly disagree, 2=disagree, 3=somewhat agree, 4=mostly agree, 5=strongly agree

Example: Our group works as a team.....1 2 3 4 5

In addition, one can periodically remind people what the rating numbers (1 2 3 4 5) stand for. For example I recommend labeling sections, e.g. *Quality and Productivity* and *Communications*, and clustering the questions in groups of five for clarity and ease of reading for the respondent. You could offer a scale reminder at least once a page or between sections. For example:

WORK CLIMATE

**1=strongly disagree, 2=disagree, 3=somewhat agree,
4=mostly agree, 5=strongly agree**

- 1. I like most of the people I work with..... 1 2 3 4 5
- 2. There is not a lot of “bureacracy” here.....1 2 3 4 5

The strategy for questions is important because you want to ensure that you get all the information you need without asking too many. If the survey is too much trouble or if employees are expected to complete the survey on their own time, they will be less inclined to do it or do it in good faith. If there have been a number of surveys already, people may be resistant to doing it again--especially if they feel “nothing was done” after the previous ones. (A full survey example is found at the end of this chapter.)

Demographics

Interviews, focus groups, and most forms of information gathering tend to be at specific locations or with certain groups. In a survey, gathering information about respondents' characteristics is absolutely critical for assessing responses. A survey casts a broad net, so one *must have categorical information to correlate and convert general information into something more specific, accurate, and, therefore, useful.*

It is not enough to know, for example, that the average response to the survey statement, “There is very little gender, ethnic, and racial prejudice in our company,” is a 3.6. While this number represents a relatively good comparative score, a strongly positive response from the general workforce can mask strong negative feelings among female, ethnic, and racial groups where such

discrimination is more likely to be perceived.

Each organization has its own particular make up, but a typical demographics section would probably include department, site location, position level, position type, time on job, time with company, ethnicity, gender, age, etc. This list is not exhaustive, but it would cover much of what one needs to know to use the data well. (An example of useful categorical data is seen in Part I of the sample survey at the end of this chapter.)

In interviews and focus groups, participants are known to the interviewer or facilitator, but survey respondents expect to be anonymous. Some people may resist giving demographic information such as department or type of position because it may identify them. They may leave out certain information to thwart identification, but a few missing answers are not a serious problem because in the aggregate it has little effect on the overall findings. Even though there is some risk of being identified, most people answer questions honestly and fully.

Other aspects of survey design

Numbering: I use Part I to gather demographic information to be used in analyzing the data. Part II contains the items to be rated, and the other kinds of information gathering, e.g. comments, are numbered as a Part, again for clarity. Items in Part II are numbered sequentially regardless of category because I find it simpler to do the analysis that way, and simpler is usually better.

Ratings: This model uses the recommended 5-choice rating scale ranging from highly negative to highly positive. I generally use *Not true* to *Very true* because it is shorter, although one often sees *Strongly Disagree* to *Strongly Agree*. Just make sure that the ratings make sense, are a continuum in meaning, and that the “3” rating is midway on that continuum.

Comments: Comments provide a chance to cover those questions you did not ask and can tell you what the “buzz” is. People who make comments are the more articulate of the workforce and, while not numerically representative, can reflect the articulate, unofficial leadership organization. While a survey indicates presence and degree, comments like interviews can indicate intensity and nature of the issues. For example a survey response may indicate that the workforce

sees “a lot of bureaucracy around here,” but a comment can tell you that “just getting a part from supplies requires approval by a department head.”

Questions for comments can vary from the wide open “Tell us your comments” to the more guiding “If you were CEO for a day, what one thing would you do to improve operations at Boogaloo?” Other questions might be like the following:

What would you need that you presently do not have to do your best work?

What are some specific ways your supervisor could help you do your job better?

Word Choices: Word choices serve the same purpose as comments, and many people take advantage of this opportunity to express themselves:

Part IV. Please mark the box by any of the words below you feel describe the city or your work situation.

1. <input type="checkbox"/> progressive	8. <input type="checkbox"/> ethical	15. <input type="checkbox"/> competent
2. <input type="checkbox"/> productive	9. <input type="checkbox"/> rigid	16. <input type="checkbox"/> stressful

You can ask also what words they would add and provide several blank lines.

Word choices can also provide benchmarks and track movement. For example, a second survey two years later for a manufacturing facility found positive terms (team-work) tended downward and the negative terms (crisis-dominated) moved up. This information was in keeping with the rest of the data which indicated things were getting worse.

Following is an example of a survey using these various approaches.

BOOGALOO, INC.
Organizational Development
Employee Survey

Your responses in this questionnaire are confidential and will be seen only by Gary English & Associates. When your answers have been entered into the computer, these survey forms will be destroyed. The Executive Management Team will receive a summary report and analysis based upon the total survey results.

This questionnaire and any personal interviews which will follow are to provide an opportunity to give your opinion on ways we can improve our company's performance. If our questions have missed something you feel needs to be addressed or you would like to explain one or more of your answers, please use the comments section.

Part I Instructions: Please circle the letter by the appropriate answer.

Note: These questions are designed only to help Gary English & Associates analyze the data. These confidential survey forms are entered into our computer and then destroyed.

1. Your department / area

- | | |
|----------------------|----------------------|
| a. Marketing | f. Distribution |
| b. Customer Service | g. Administration |
| c. Technical Service | h. Fleet Maintenance |
| d. Retail | i. Warehouse |
| e. Central Services | j. Other |

2. Type position

- a. Manager
- b. Supervisor
- c. Professional
- d. Hourly
- e. Salaried other

3. Gender

- a. Male
- b. Female

4. Racial/ethnic

- | | |
|---------------------|--------------------|
| a. African American | d. Hispanic |
| b. Asian | e. Native American |
| c. Caucasian | f. Other |

5. Time with company

- a. Two years or less
- b. Five years or less
- c. Ten years or less
- d. Eleven years or more

6. Time in present position

- a. One year or less
- b. Two years or less
- c. Five years or less
- d. Six years or more

Part II Instructions: Please mark or circle the number that best tells how much you feel the following statements are true at the company, as it is relevant. In questions about supervisors or managers, refer to the person you work with most often or who is the most important to your job.

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)

Example: Our group works as a team.....1 2 3 4 5

ORGANIZATIONAL CLIMATE

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)

1. I like most of the people that I work with.....1 2 3 4 5
2. There is not a lot of "beaurcracy" here.....1 2 3 4 5
3. I am proud to be a part of our company's staff.....1 2 3 4 5
4. Company policies and rules apply to everyone the same.....1 2 3 4 5
5. There is a lot of trust here.....1 2 3 4 5
6. Sexual, racial, or cultural biases are not much of a problem here.....1 2 3 4 5
7. It is not who you know but what you know that counts.....1 2 3 4 5
8. When I have a work problem, I can count on the others to help out.....1 2 3 4 5
9. The company really cares about the employees.....1 2 3 4 5
10. Higher ups do not look down on employees.....1 2 3 4 5

COMMUNICATIONS

	(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)				
11. You can always believe what management tells you.....	1	2	3	4	5
12. You are expected to give your honest opinion even if it differs from the boss's.....	1	2	3	4	5
13. If I have a reasonable complaint, I will get a fair hearing from my supervisor.....	1	2	3	4	5
14. If I have a work question, I can get a quick, professional answer.....	1	2	3	4	5
15. Sometimes we are told to do things that we know will not work very well, but we can't argue.....	1	2	3	4	5
16. I am kept informed about the company's services and products and general marketing strategy.....	1	2	3	4	5
17. If we have an idea or suggestion, the company is really interested in hearing it.....	1	2	3	4	5
18. We are kept informed about what is going on at the company.....	1	2	3	4	5
19. There is good coordination and cooperation among different department/areas.....	1	2	3	4	5
20. Work instructions and procedures are usually quite clear.....	1	2	3	4	5

LEADERSHIP

	(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)				
21. The company has a clear "vision" and strategy.....	1	2	3	4	5
22. I know how my job fits with the overall mission and goals of the company.....	1	2	3	4	5
23. Sometimes I am not sure what management's priorities really are.....	1	2	3	4	5
Or					
Our work priorities are pretty clear and focused on our companies strategic vision.....	1	2	3	4	5
24. When something goes wrong, the focus is on analyzing and correcting the problem rather than finding someone to blame.....	1	2	3	4	5
25. Our leadership is always focused on the best use of company resources and doing our best work.....	1	2	3	4	5

26. Our company stands for the kind of things I really believe in.....	1	2	3	4	5
27. Our group works as a team.....	1	2	3	4	5
28. There are not a lot of "secrets" around here.....	1	2	3	4	5
29. Our company always tries to "do the right thing" when it comes to staff and customers.....	1	2	3	4	5
30. When managers make a decision, there is usually a good reason for it.....	1	2	3	4	5

MANAGEMENT AND SUPERVISION

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)					
31. My boss really knows his/her stuff.....	1	2	3	4	5
32. If I need a quick decision to do my job, I can usually get one.....	1	2	3	4	5
33. Our work is well planned and organized.....	1	2	3	4	5
34. The way my work is evaluated is reasonable and fair.....	1	2	3	4	5
35. If I have to deal with a problem, I can count on my supervisor to back me up.....	1	2	3	4	5
36. Raises and promotions are based on a person's performance.....	1	2	3	4	5
37. The only time we hear about our work is when we do something wrong.....	1	2	3	4	5
Or	1	2	3	4	5
My supervisor encourages me to do my best work.....	1	2	3	4	5
38. If I make a mistake, my supervisor takes time to help me learn how to do it properly.....	1	2	3	4	5
39. My supervisor is more like a "coach" than a "boss".....	1	2	3	4	5
40. Decisions depend on the boss's mood.....	1	2	3	4	5

QUALITY AND PRODUCTIVITY

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)					
41. My work group and supervisor often discuss how to do things better.....	1	2	3	4	5
42. We never sacrifice good work for "just getting it done".....	1	2	3	4	5
43. We hire the best people available.....	1	2	3	4	5

- | | | | | | |
|---|---|---|---|---|---|
| 44. I always know exactly what is expected of me..... | 1 | 2 | 3 | 4 | 5 |
| 45. I know of cases of waste and deliberate abuse of company property..... | 1 | 2 | 3 | 4 | 5 |
| 46. We are always properly trained for our jobs..... | 1 | 2 | 3 | 4 | 5 |
| 47. Our work is set up so that I can use my best abilities on the job..... | 1 | 2 | 3 | 4 | 5 |
| 48. New employees are given an excellent and realistic orientation..... | 1 | 2 | 3 | 4 | 5 |
| 49. If I do a good job, the company really appreciates it..... | 1 | 2 | 3 | 4 | 5 |
| 50. We seem to spend most of our time "fixing" problems rather than "preventing" them..... | 1 | 2 | 3 | 4 | 5 |
| 51. The company is concerned that the equipment we use is in good condition..... | 1 | 2 | 3 | 4 | 5 |
| 52. Sometimes support services (e.g., purchasing and personnel) are more a hindrance than a help..... | 1 | 2 | 3 | 4 | 5 |
| 53. The company believes that doing something right is more important than doing it quickly..... | 1 | 2 | 3 | 4 | 5 |
| 54. The company generally promotes the best people for the job..... | 1 | 2 | 3 | 4 | 5 |
| 55. The company will not tolerate poor performance by managers or supervisors..... | 1 | 2 | 3 | 4 | 5 |

SAFETY AND ENVIRONMENT

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)

- | | | | | | |
|--|---|---|---|---|---|
| 56. If I see anyone engaging in an unsafe act, such as not wearing appropriate PPE, I feel comfortable telling them to correct the situation or leave the work area immediately..... | 1 | 2 | 3 | 4 | 5 |
| 57. Supervisors and managers put safety above production..... | 1 | 2 | 3 | 4 | 5 |
| 58. Even without government pressure, the company would do everything it could to protect the environment..... | 1 | 2 | 3 | 4 | 5 |
| 59. Sometimes we don't report safety hazards because we don't want to get into trouble..... | 1 | 2 | 3 | 4 | 5 |
| Or | | | | | |
| We will never get into trouble by reporting safety hazards..... | 1 | 2 | 3 | 4 | 5 |
| 60. We have thoroughly analyzed our work environment and practices to identify all safety hazards..... | 1 | 2 | 3 | 4 | 5 |

61. Before any new equipment is put on line or any new procedures begun, we spend a great deal of time working out their safety and environmental aspects.....	1	2	3	4	5
62. Safety matters are enforced consistently for everyone.....	1	2	3	4	5
63. Sometimes a person just has to take risks on the job.....	1	2	3	4	5
64. On the whole, I think housekeeping at company facilities is pretty good.....	1	2	3	4	5
65. I feel very involved in our safety effort.....	1	2	3	4	5
66. There are a lot of things we could do about safety around here but don't.....	1	2	3	4	5
67. There is no alcohol or drug use on the job here.....	1	2	3	4	5
68. Our safety training is realistic for our jobs and work conditions.....	1	2	3	4	5
69. If I see or create a safety problem, such as a spill or trip hazard, I will never get into trouble by taking time to correct it.....	1	2	3	4	5
70. When there is an incident, we investigate to find the cause rather than someone to blame.....	1	2	3	4	5

CUSTOMER RELATIONS

(1=not true 2=not very true 3=generally true 4=mostly true 5=very true)

71. We are told to use our initiative, but if we do we can get into trouble.....					
Or	1	2	3	4	5
Ordinarily, we are expected to find ways to help a customer even if its means "bending the rules".....					
72. If I have a suggestion on ways to improve customer satisfaction, the company is really interested.....	1	2	3	4	5
73. We are thoroughly trained in all aspects of our job.....	1	2	3	4	5
74. Our operation is designed with the customer in mind.....	1	2	3	4	5
75. There are a lot of things we could do to improve customer satisfaction but don't.....	1	2	3	4	5
Or	1	2	3	4	5
Our management is constantly looking for ways to improve customer satisfaction.....					
	1	2	3	4	5

1. What would you need that you presently do not have to do your best work?
2. My supervisor could help me do a better job by...
3. If you were company president for one day, what one thing would you do to improve operations at the company most?

Part IV Instructions: Please mark the box by any of the words below you feel describe the company or your work situation..

- | | | | |
|---|--|---|---|
| 1. <input type="checkbox"/> progressive | 8. <input type="checkbox"/> ethical | 15. <input type="checkbox"/> competent | 22. <input type="checkbox"/> high-performance |
| 2. <input type="checkbox"/> productive | 9. <input type="checkbox"/> rigid | 16. <input type="checkbox"/> stressful | 23. <input type="checkbox"/> sincere |
| 3. <input type="checkbox"/> unfeeling | 10. <input type="checkbox"/> successful | 17. <input type="checkbox"/> trustworthy | 24. <input type="checkbox"/> short-sighted |
| 4. <input type="checkbox"/> friendly | 11. <input type="checkbox"/> demanding | 18. <input type="checkbox"/> proud | 25. <input type="checkbox"/> open |
| 5. <input type="checkbox"/> unfair | 12. <input type="checkbox"/> open-minded | 19. <input type="checkbox"/> team-work | 26. <input type="checkbox"/> back-stabbing |
| 6. <input type="checkbox"/> caring | 13. <input type="checkbox"/> innovative | 20. <input type="checkbox"/> pulling together | 27. <input type="checkbox"/> crisis-dominated |
| 7. <input type="checkbox"/> stingy | 14. <input type="checkbox"/> improving | 21. <input type="checkbox"/> fun | 28. <input type="checkbox"/> quality |

What words would you add to the list? _____

Part V Instructions: Use this space to make any comments this survey has not addressed or to elaborate on any of your answers.

Special Use Surveys

This general model can be used with selected and perhaps additional questions for special purpose surveys:

Organizational Change Readiness Survey - Takes the sense of an organization's cultural, structural, and attitudinal readiness for a deliberate, focused change management program. It can be administered in a training setting or given organization - wide.

Organizational Rationality Audit - Guidelines for an assessment of the organization's condition, i.e. is what it is doing make sense in terms of its mission and strategic goals.

Quality Conditions Review - Assesses the operating condition of the organization to provide a basis for a management improvement initiative. Like all organizational information, it can be used to assess management performance. Like all good assessments, it should be used for developmental purposes, not for blaming. (Example provided at the end of Chapter 13.)

The *QCR* can also be used as a training exercise, with the data being used in the training and fed into an organizational data base. As a part of an annual or semi-annual organizational assessment, it can serve as part of a manager's performance review.



*It is error only, and not truth
that shrinks from inquiry*
Thomas Paine

Chapter Ten

Administering a Survey

Experience is the name everyone gives to their mistakes.

Oscar Wilde



Asking the right questions is important. No less so is asking the right people and getting their answers back. Getting questions to and from people is rarely an issue for interviews, focus groups, and other methods, but it is a major part of a survey. To prevent logistics of survey administration ruining an otherwise good information gathering project, managers must be aware of the fundamentals of survey administration to ensure that it is being done properly.

Sampling

Very large organizations, such as General Motors, will probably require surveying, and certainly interviewing, a small, representative sample of its workforce. Samples, if statistically proper, can provide good information in many cases, such as predicting elections. Still, for most organizations, or even a smaller unit of a large organization, it is better to include everyone if possible. There are several good reasons for maximum inclusion:

Trust and credibility. Including everyone de-fangs the “they didn’t ask me” complaint that can haunt management action based on the information.

Better data. Surveying everybody eliminates statistical issues. Statistics can be quite reliable, but the basis for the statistics - e.g. gender, professional levels, etc. - can be quite many, varied, and changing. Unless the sample truly represents everyone, data can be skewed without anyone being aware.

Cost. For all but the largest organization, it probably costs no more to survey everyone and tabulate all the responses than to pay the cost of

statistical expertise and the explanations that must follow. This approach assumes, of course, that the size of the population to be surveyed makes including everyone feasible.

To survey even General Motors' approximately 35,000 automotive engineers is nigh impossible, so one would use a sample of, say, 1200. Even when sampling, it is better to get as close to 100% of your sample as you can. Those who have been selected for the sample can put their completed survey forms in number 10 envelopes for collection. That way, they won't feel so nakedly identified.

For the large companies or where distances make on-site distribution unfeasible, mail has been the only other option. Mail return rates, however, can be so low as to render the survey data unusable. E-mail and the internet have provided new options, but the question of confidentiality can skew responses. One study found that people were more inclined to respond and to answer candidly with an online survey than one returned by mail, but it is still an open question (employeesurveys.com, 2000). Fortunately, the same study found that most people answer survey questions honestly.

Distribution and Retrieval

My preferred place to administer surveys and conduct all interviews, etc., is at work sites. People feel most relaxed and confident in their workstations and are most likely to be candid in their responses. While there might be some "sharing" of responses, two things make that factor negligible. One is the time limit on a study; a survey should take only about 30-45 minutes to complete for most anyone. The other is a desire by most people to give their own opinions rather than someone else's. People are usually fully aware of the opinions of their more talkative colleagues.

The hospital where I exercise recently surveyed its workforce. For weeks, signs in the passageways begged for employees to turn in their survey forms. To do everything right and then not get the surveys back can be quite frustrating for both the project administrators and for project results.

It is best to go to work locations, hand a survey to each person and collect each one. This method might not get 100%, but it gets pretty close. It sure beats the

return (as low as 5-10%) and weeks involved when asking people to mail back their surveys.

There will always be some people who are not available for onsite, and you can give these people a stamped #10 envelope with the administrator’s name and address. Sometimes, and we are well away from “best practice,” surveys can be collected in a large maila envelope placed in a central location. The larger envelope would be mailed to the administrator.

Hand-distributed surveys are more costly, but not as much as one might think considering the promotional effort required to get a decent return on mailed surveys. Also, on-site administered surveys require a bit of scheduling for everyone in the organization and can be particularly tough for shifts.

If the populations are scattered and the remote location has only a few people, the cost can seem quite high. But, to repeat, it gets the best return rate. Also, there is something positive about a person being given a survey form by a credible figure and seeing that form put into an envelope where it becomes safely anonymous.

Here is a quick comparison of the options:

Factor	Mail	Email	Hand distributed
<i>Return Rate</i>	low to medium	depends	high
<i>Administration</i>	simple, especially for a scattered population	simple where computers are easily available and people can use them	more involved scheduling
<i>Costs</i>	low	good for “mini-surveys”	highest
<i>Anonymity</i>	good	lowest	good
<i>Disruption</i>	low	low	some
<i>Time required</i>	slow return rate	can be slow	immediate with some mail-ins

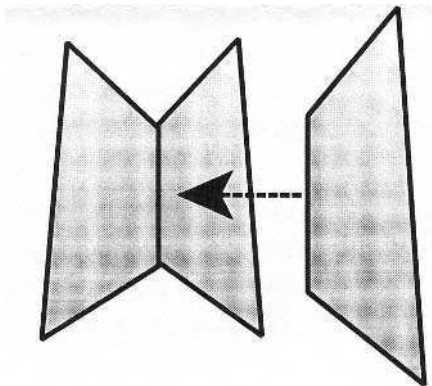
Preparing the Organization

An organizational study should be introduced properly to the workforce with a letter and perhaps a video by the CEO that explains the study's purpose and kinds of actions, generally speaking, likely to follow. If using an outside consultant, one should send an introductory message to emphasize the firm's credentials and the sureness of confidentiality.

Interviews, etc., while requiring people's being informed, rarely require promoting workforce participation. Surveys, on the other hand, often do. Mailed surveys require a great deal more effort to get good return rates, increasing costs and complexity of administration to a point approaching hand delivery. An awareness campaign with internal media, such as newsletters, posters, notices, and information meetings prior to the study, can encourage returns. If there is significant distrust of management among the workforce, then even this may not work. These promotional efforts also cost money, and just to distribute and collect them on site can be cheaper and easier.

Format

It is best to have a type-set (computer word-processed will do) on a pleasing color paper, such as light blue or green. It is easier to work with four 8 1/2 x 11 pages. (These can be printed on a single 11 x 17 inch sheet and folded.) If the survey gets bigger an additional sheet can be inserted into the folded sheet for six pages. Page numbers are not necessary for a folded sheet. If another sheet is inserted, however, page numbering could be helpful.



Other information and Uses

A major problem in many organizations is that support services - i.e. human resources, purchasing, maintenance - do not treat the units they serve as customers. Departments that rely on support services are often treated as if they were there to please the support group, not the other way around. When mangement is interested in internal customer service, a survey can identify the internal customer condition:

Based upon your personal knowledge or what you have heard, how would you rate the effectiveness following departements? (3=very good, 2=okay, 1=poor, X=no opinion)

a. Accounting.....	1	2	3	X
b. Central maintenance	1	2	3	X
c. Engineering and Technical	1	2	3	X
d. Human Resources/Personnel	1	2	3	X
e. Purchasing	1	2	3	X
f. Quality lab.....	1	2	3	X
g. Safety and Environmental	1	2	3	X

This kind of information, which can be incorporated in *Quality Conditions Review*, can provide objective and appropriate information for performance management standards.

Another use of survey is to solicit involvement in company change processes. Such matters should be at the end of the survey so as not to taint the mindset of the respondent. Here is an example used by a company that was preparing to initiate management changes after years of traditional practices with little employee involvement:

The mission of the Boogaloo Corporation is to

- * Provide quality products and services to enhance our competitive position and profitability.

- * Provide a safe, professional work environment which stimulates, supports and rewards employee innovation, productivity and teamwork.

- * Cultivate our reputation as a valued corporate citizen.
- * Actively protect the environment and responsibly manage our natural resources.
- * Foster mutually beneficial partnerships with our employees, customers, and suppliers to advance our reputation as a quality company.
- * ~~Expand our global presence as a quality fertilizer supplier.~~_____

Please make any comments or suggestions you have for the Mission Statement by marking the text above or in the space below:

2. Please check as many of the phrases below that express your opinion about the new Boogaloo Mission Statement:

- ___ / Let's do it.
- ___ / It will never happen.
- ___ / Count me in.
- ___ / Count me out.
- ___ / I don't believe Boogaloo means it.
- ___ / It is what we should be doing.

3. To be successful in fulfilling its mission statement, Boogaloo needs to:

4. What do you think are the chances for success on fulfilling the Boogaloo mission statement?

Poor	Fair	Excellent
1	2 3	4 5

5. Are you willing to serve on a task force to improve Boogaloo quality and work environment?

(Circle one): **Yes** **No**

If "yes", please fill out the card provided.

A 3x5 card was enclosed with the survey, intended to be turned in separately from the survey, and had the following copy:

BOOGALOO
Employee Involvement Interest Card

There will probably be a number of task groups working to improve the operations at Boogaloo. The task groups will involve employees at all levels and in all departments. Everyone is welcome and invited to participate.

___ / Yes. I would like to serve on a task group.

___ / Someone I would like to nominate to serve on a task group is

Name _____

Tel: _____ / _____

Asking for this kind of information at the end of the survey is unlikely to affect responses to the preceding questions: it would not spoil the survey results. It would also, however, greatly increase the expectations of the workforce and is not a good idea unless management is very serious about making improvements indicated in the survey.



*A study of the history of opinion is a necessary preliminary
to the emancipation of the mind.*

John Maynard Keynes

Chapter Eleven

Analyzing Project Results

*USA Today has come out with a new survey -
apparently three out of four people make up
75% of the population.*

David Letterman



The survey has been tabulated, the interviews summarized, documents reviewed, “sign” observed and analyzed, and focus groups have spoken. The task now is to bring it all together into “findings” that have meaning for management action.

A project report will vary based on the project purpose, methodology, and who does it. The following discussion centers around excerpts of an actual report based on a survey and staff interviews. It illustrates one way of analyzing and synthesizing information for a company experiencing considerable quality, productivity, and cost control problems.

Demographics

Demographic information from a survey, primarily to assist in analyzing responses, can itself provide valuable insight into organizational condition:

[O]ne-fourth of the employees has been at the company for less than two years. More than one-third of the staff has been in their present positions for less than a year and less than 50% have been in their present positions at least two years. (Emphasis added).

The data made clear the large proportion of the workforce new to its responsibilities, something that was generally intuitively “known” but not fully understood or appreciated.

The final report, based on the survey, interview, personnel, observations and other data, was able to conclude the following:

Experienced staff has been replaced by newcomers, and most of them are relatively new to their responsibilities....When one factors this with the general lack of training and professional development, and the number of people who have been put on jobs for which they are marginally qualified, the magnitude of the problem becomes more appreciable.

A number of these new staff were not well prepared for their responsibilities, nor have they received effective guidance, training, and support to help them reach an adequate performance level. None of the trainers have preparation in the profession of training such as front-end analysis, job aids, instructional design, instructional technologies, presentations, or effectiveness measurement.

Engineers have been given critical management responsibilities in operations and maintenance for which they had little or no preparation. A shift supervisor was made safety officer with little adequate training before or afterwards, and there is no plan for his professional development or certification. In addition to having a large number of new staff, contractor assistance has been reduced. This information, in view of the substantial backlog in engineering and maintenance, helps explain some of the recent problems in safety and productivity (Proprietary report).

Here was an operation that provided little staff training and virtually no orientation program. As a result, its many new staff were poorly prepared for their jobs. On this basis alone, one could recommend a number of management actions that would improve staff performance in virtually all areas and likely save the company hundreds of thousands of dollars through improvements in productivity, quality, and safety.

Assessing the findings

In many ways the numerical findings on a survey have a “specious precision” in that while the numbers are clear, their meanings might not be. Data from surveys that allow respondents to provide a rating from, e.g. poor to good, is called *normative* data. But there is the question of how poor is “poor” and how good is

“good.” Using such data there must first be some reference point.

Some consultants recommend comparing an organization with “industry standards,” by which they mean the average responses found in other such companies or facilities. Such comparison can tell how an organization stands compared to others, but not what the scores truly indicate for you. For example, a response about empowerment might have a vastly different meaning for a government or bank than for an advertising agency or computer programming company. Also, unless collected over a time, numbers tell nothing of the direction, e.g. whether these numbers are showing deterioration or improvement.

Industry comparisons, while interesting, are but one consideration and certainly not the most important one. The essence of successful competition is to be the best that one can be, not to be like everyone else. Analysis should reflect management’s purpose, which is typically to find areas where operations can be improved. Generally, I recommend management’s using the following standards:

3.6 and higher	<i>Good</i>
3.2-3.5	<i>Okay for now</i>
2.9-3.1	<i>Of concern</i>
2.8 and lower	<i>Of immediate concern.</i>

Some categories might seem fairly narrow, e.g., 2.9-3.1 because, as we saw in Chapter 11, most of the responses will fall around the probable mean, i.e. 3. In my experience, averages typically fall between 3.1 to 3.3. In looking for “interesting” responses, one might begin their search *outside* the 2.9-3.1 range for most questions. Some areas, such as safety, likely require a higher standard.

Exploring the seemingly worst problems will invariably touch other issues, and moving to eliminate one problem often requires addressing other problems as well. Edwards Deming, the father of TQM, introduced the now generally accepted rule that 85% of all organizational problems are management system problems; the other 15% stem from individual performance.

Fixing a “system” problem, therefore, usually clears up a lot of problems. For example, as management takes action to improve a low score for “rewards are

based on performance,” it will necessarily address the whole gamut of issues regarding quality of supervision and fairness of performance management.

Positive, negative, and in between

Every organization has a number of things that are going well. Otherwise, the organization would be less interested in a survey and more interested in liquidating. Knowing one’s strengths is important because they give management a platform from which to deal with the deficiencies. For example:

Some positive (3.6 and higher) qualities Boogaloo enjoys are pride in being with the company, supervisor expertise and assistance with work problems, being able to count on others to help out with work problems, and a group that works with a team. One is able to get a decision when needed and the work evaluations seem fair. There is also little felt sexual, racial, or ethnic bias. Managers’ and supervisors’ putting safety above other factors were positive. The same is true with realistic safety training being seen as realistic.

“Okay” refers to a suboptimized and, therefore, probably an unacceptable condition for any length of time. It would not ordinarily represent a serious, immediately pressing problem in customer service, productivity, or care of assets. The “okay” range could probably be considered a serious concern in some areas, such as safety.

Responses are middling for there being “a lot of secrets,” that whom you know counts for more than what you know, or that people are involved in the safety effort. The same is true of the perception of “bureaucracy,” although there is a slight negative tendency. Knowing management’s priorities, being kept informed of plant affairs, having clear work instructions and procedures, and having discussed the Boogaloo “vision” are on the positive side.

Also average to positive is the perception that the company cares about its employees, that people know what is expected of them, and that good work is appreciated. In that range are the company’s receptivity to ideas, the supervisor’s helping one learn, the company’s keeping working

equipment in good condition, and the company's concern for the safety and environmental aspects of new equipment or processes.

While it may be an unfortunate aspect of human nature, people are looking for problems, and these are identified with negative responses to the survey. These issues are the ones management will most likely want to attack first. Of special significance is the area of safety and environment. People clearly did not feel comfortable telling others to get into safety compliance. Responses were also negative regarding environment and processes having been reviewed for safety, the adequacy of work area housekeeping, and the absence of alcohol and drugs use at the plant. Staff felt safety problems were not being addressed and, of special concern, one's need to take occasional risks on the job.

Work was not always seen as well-planned and orderly (1.0-3.0>70%).* Many staff did not feel they knew how their work fit in the overall scheme of the plant (2.6 with management rating lowest at 1.8), or that interdepartmental cooperation was considered a problem (primarily by operators and maintenance). Statement II18 ("Sometimes we are told to do things we know will not work very well, but you can't argue.") was 3.3 overall but 2.9-3.0 for operations (varying by area) and 2.6 for engineering. Not surprising also, except perhaps in its intensity, is that training and testing was not considered appropriate (1.8, converted, with operations and maintenance ranging 1.3 to 2.0).

Many people felt they got feedback about their work performance only when they did something wrong (3.6), a situation found in many if not most companies. Promotions are often not seen as going to the best qualified (1.0-3.0>70%) and problems are often met with blame rather than correction (1.0-3.0>65%). Regarding quality orientation, the boss rather than the customer often seems the chief focus, and speed is more important than quality (1.0-3.0>70%).

*The ">" indicates that more than 70% of the workforce answered in this range.

Clearly there were a number of problems in this organization. The problems were not evenly spread, however. Even those that were throughout the organization were not necessarily of the same magnitude or of the same nature among the various organizational units. For this reason, correlations with the demographic categories are critical for good understanding of the problems.

Correlations/cross-tabulations

Organization-wide responses, while useful as benchmarks and general indicators, have limited information value. It is only when the responses of various parts of the organization are known can one begin to get a feel for the true conditions. As mentioned before, there are usually enough people in the general employee population to make problems in racial, gender, and ethnic bias appear better than they really are. Communications, support, and safety problems can appear generally better when, in fact, some departments are doing very well and others quite poorly.

Correlations can, indeed, bring some surprises. Consider the following report excerpt:

While these scores indicate improvement, a review of the distributions indicated that progress is uneven....The engineers and hourly employees tend to be most negative overall although *regarding clear and established priorities, management and the supervisors are most negative....*(Emphasis added).

Other areas of negative response were about trust (responses 1.0-3.0>71% with the lowest scores by those who identified themselves as “management” (2.8) and “professional” (2.5), especially engineering. Low scores also typified the believability of management (2.8) and problems of changing priorities (management>62%, supervisors>95%, hourly>52%, and salaried other>70%). Regarding the application of rules evenly to everyone, the mean is 2.9, but the distribution is quite flat indicating strongly positive and negative feelings about this.

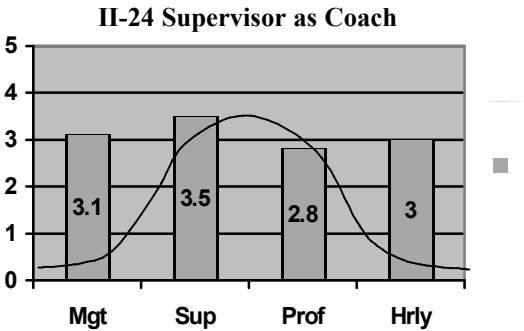
Some aspects of the data are noteworthy. For example, *management, followed closely by supervision feels most unappreciated.* Operations

tends to be frequently negative, but there is a significant and persistent degree of dissatisfaction in both Maintenance and Engineering staff. (Emphasis added).

It is interesting that this study found that *management* felt unclear, unsure, and unappreciated. In this particular case, the plant management was reeling from the actions of a new corporate CEO who was pushing the plant for major improvements but had an erratic, arbitrary approach. In addition, the corporate office controlled many of the support resources, such as purchasing - personnel, and information technologies - and consequently these services had little in the way of “customer” orientation.

Plant managers, who thought they were doing all they could under the circumstances (often the case when an operation is seriously suboptimized), felt caught in a squeeze. The significance is that one is not likely to cure plant problems at the plant level alone. Understanding this reality at the beginning would save a great deal of frustration, grief, and expense.

A graphic example might emphasize the point. In the figure below a curved line indicates the general average of organization-wide distribution. The responses by department (represented by the columns) show clearly the distribution among segments, and what group of employees had the most negative responses.



Analyzing comments

Many times a report of comments will simply list them all--if 1,000 comments were received, 1,000 will be listed. This approach on the surface might seem more “honest” or useful, but it is neither. Few will read all the comments, or if

they do, will pick a couple that particularly resonate with them. These few will then become the “typical” comment, an invitation for bias and misdirection.

Comments should be analyzed and presented in such a way as to make clear their sense and proportion. Content analysis is fairly easy and does not need to be rigorously exact; reasonably approximate will usually do. The most difficult part is to choose words that will capture the essence of comments that say pretty much the same thing but in different ways, as people are wont to do. For example, “Our management is good” and “I have a great supervisor,” can mean the same thing or essentially so, depending on the goals of the survey. Similarly, “You can't really speak your mind” and “There is a lot of distrust around here” are quite close to being the same point. Generally speaking, one can summarize the comments in some useful comprehensive way:

1. ***What would you need, that you presently do not have, to do your best work?*** The greatest responses were for better tools and equipment (n=38) and training (n=26). More staff, better organization, and rewarding performance were mentioned several times.
2. ***Your supervisor could help you do a better job by:*** Better planning and communications (n=40), giving respect and recognizing good work (n=15), and learning more about the respondents work (n=8). Several mentioned that they had an excellent supervisor.
3. ***If you were CEO of Boogaloo for a day, what one thing would you do that would improve operations at the plant most?*** The overwhelming response in 1998 was to visit the plant and talk with employees, recognize their efforts and inculcate a spirit of community. The most frequent in the current (2000) survey, however, was to replace incompetent managers (n=13) followed by rewarding good work (n=4).

Comparing results

The numerical responses of a survey provide a benchmark and progress measure. Again, in showing comparisons, it is best to have them organized into

meaningful categories with clearly expressed standards. I often use *positive*, *little*, and *negative* movement as categories. As to what constitutes noteworthy “movement,” I recommend a standard of 10% change. Less than 10% would not seem significant enough, and higher than that may miss something worth noting. It is a judgment call, but one that should be made to help make sense of the data:

<i>I. Area of improvement</i>		<i>1998 / 2000</i>
7.	It is not <i>who</i> you know but <i>what</i> you know that counts.	3.3 / 3.8
20.	If you have an idea or suggestion, management is really interested in hearing it.	3.3 / 3.8
<i>II. Areas of deterioration</i>		<i>1998 / 2000</i>
31.	Raises are given on the basis of a person's performance.	2.5 / 2.0
33.	If I make a mistake, my supervisor takes time to help me learn how to do it properly.	3.4 / 3.0
34.	My supervisor is more like a coach than a “boss.”	3.4 / 3.0
35.	The company generally promotes the best people for the job	2.8 / 2.5
44.	Our work is set up so I can use my best abilities on the job.	3.7 / 3.2
46.	If I do a good job, the company really appreciates it.	3.1 / 2.6
<i>III. Areas with little change or slightly worse.*</i>		<i>1998 / 2000</i>
2.	There is not a lot of “bureaucracy” here.	2.8 / 2.8
5.	Policies and company rules apply to everyone the same.	2.9 / 3.1
6.	There is a lot of trust here.	2.8 / 2.6
14.	You can always believe what management tells you.	2.8 / 2.9
23.	Work instructions and procedures are usually quite clear.	3.2 / 3.1
27.	Our work is well planned and organized.	3.1 / 3.2
50.	The company believes that doing something right is more important than doing it quickly.	3.2 / 3.0
<i>* (Less than 10% decline)</i>		

Setting up the system

It would seem clear that organizational and workforce information, gathered through a variety of methods, can provide the kind of internal information management needs to optimize its competitive abilities. This kind of information, however, is not just needed occasionally, but all the time. Ways to establish a system that provides on-going internal information is our next consideration.



*Analysis does not make pathological reactions impossible,
but gives the ego freedom to decide one way or another.*

Sigmund Freud

Chapter Twelve

A Case for an Organizational Information Utility

*No sensible man watches his feet hit the ground.
He watches ahead to see what kind of ground
they will hit next.*

Ernest Haycox



Imagine the pilot of a Boeing 747 asking the co-pilot, “Go see if you can find out what our airspeed and altitude are.” Farcical? To be sure.

Now, imagine a CEO asking his managers, “Go see if you can find out what the performance expectations, safety culture, and morale of our workforce are.” Factual? All too often.

Having information available when it is needed means that systems of sensing, distribution, and instrumentation have been established already. When critical information is needed, it is usually too late to try to get it - certainly too late to wonder how to get it. Like pilots, managers who wish to control their operations must also have a system to provide accurate, timely, and comprehensive information about an organization’s condition and ability to perform. To crash and burn because of information failure is a bad thing in either case.

A growing awareness of the need for this kind of information and information support systems is becoming evident (Hammers, 2002). Most of this development focuses on the use of computers, which would certainly be an important part of any information system. The technology, however, is not the challenging part. What seems to be occurring now is similar to what happened when video equipment first became commonly available. Organizations spent thousands on equipment with the hope of producing their own videos for sales, training, etc. - only to find that the real challenge (and expense) was the creative

work required to produce a product using the equipment.

Organizations today suffer the same problem. Computers and software are readily available, often with a sophisticated support group of programmers and technicians. Missing is an ability to produce good information with the wonderful equipment.

Information and proactivity

Organizational managers must control two contradictory forces at the same time. On the one hand, the essence of an organization is its routine, i.e. the predictable role performance of each person and group. At the same time, organizations are expected to be nimble, quick, and innovative. Constant and steady, yet changing and transforming - that's a tall order for any manager. It means that knowing "what happened" is not enough; a manager must have some clues as to what is likely to happen next and what to do about it.

Our reasoning is often employed less for coming to conclusions than for rationalizing what we already think or, more likely, feel. Ordinarily, few managers test their decisions with subordinates, while most subordinates see questioning a manager's decision as a good way to jeopardize a career. Even the best reasoned decision, moreover, can be in lala-land unless tested by reality. Even though information might be available, if its use is not required it will largely be ignored.

The need for information, therefore, transcends passive availability. Having information when one feels the need is good, but reactive. True stability requires having information that brings problems or opportunities to the attention of management to afford proactivity, the hallmark of good management.

Organizations are not just in motion; they are also in transition, generally through incremental and slowly evolving changes, mostly unnoticed in the seeming ordinary and routine. Familiar surroundings over time tend to slip beneath conscious awareness, assumed, and largely invisible. Those most familiar with their surroundings are the ones most inclined to lose sight of the many subtle changes around them. New people always seem to want to change things because they are most likely to see that which is invisible to the old timers.

Situational actions over time can become habit. Eventually, these one-time actions can become institutionalized, valued, and unquestioned “ways we do things around here.” The result that management, when it wants to go from here to there, does not really know where “here” is. Without information to give timely perspective on the slow and subtle shifts, or even the rapid and radical ones, organizational change is hard to manage well. The “journey of change” can become a thrill ride indeed.

Making decisions about the unknown future using only the known present is tough enough. Trying to make decisions when the *present* is not well known either is even riskier. To optimize an operation for both minimum variance (quality) and change (adaptation, innovation) is difficult enough, but nearly impossible without good information. When in doubt, management tendency is to go with stability over innovation.

Workforce information and managing change

Managing change requires an on-going stream about the changes being made; otherwise, they cannot be managed. While some managers might prefer stability to change, it is a luxury few operations can afford, assuming that it can be had at any price.

Change has been fierce and constant for the past several decades, and that condition is likely to continue. It is no wonder that highly successful corporations typically have systems in place to gather, measure, and utilize information about their workforce (*Fortune* 1998). To get the fruits, management must have the roots.

That is why seventy percent of managers studied in the largest U.S. companies felt the need for broader information, both financial and nonfinancial. They felt improvement was needed in four main areas:

1. Reporting speed
 2. Data quantity
 3. Types and breadth of data
 4. Information reliability.
- (*Business Finance*, 1998)

Further, the managers wanted a system that provided a

consistent, rigorous, and automated routine data collection, transmission, process, and reporting that could be actively used throughout the organization [to afford] data and text integration [to] incorporate sundry analysis and reporting within the standard processing framework. (Emphasis added.)

A service providing an on-going and reliable supply of something is called a *utility*. Ordinarily the term applies to electricity, water, and telephone systems. Purchasing, personnel, billing and disbursing and other support services, however, are in effect organizational “utilities,” i.e. routine operations to provide a ready, commonly used service throughout the organization. Their services are actively provided or easily and conveniently accessed. Systems that provide management information about the organization and workforce would serve as an *organizational or management information utility*. I use the terms interchangeably.

A one-time study might find the connection and proof of value in good personnel selection, as in the case mentioned above, but that still does not really serve management purposes. Information must be at the right place, at the right time, and in the right form when management decisions are to be made. Information must be gathered, processed, and made accessible *before* it is needed. Information should be like a utility, i.e. there when you flip the switch.

Internal/external connection

Performance is purposeful behavior, and a person’s behavior stems from her attitudes and perceptions. Workforce attitudes and perceptions, therefore, determine the quality, productivity, customer service, and any thing else the organization delivers. Most everyone intuitively understands there is some logical connection between human mindset to business performance. Not everyone, however, is able to connect an investment in the workforce information and business goals. Craig B. Sawin, Chairman and CEO of Drake Beam Morin was typical of most managers in this remark:

It's not that I didn't believe in employee satisfaction, it's just that I wasn't sure how the results could impact our bottom line. While I could clearly see the benefit of establishing customer and client satisfaction benchmarks, I was skeptical about the business benefits of employee data (Drake Beam Morin, nd.).

After Drake Beam Morin undertook comparative surveys of customers and employee opinions and found clear correlations between employee data and customer responses, Sawin changed his perspective. Now, according to Sawin, "surveys are not just idle annual tools that are promptly forgotten [but are] directly incorporated into our performance plans and objectives for all our managers."

Perhaps an even more compelling example is Sears Roebuck's use of employee data in bringing that huge retailer back to profitability. The Sears strategy was to develop effective measures for customers, employees, and investments. The Sears management team identified the "leading indicators that predict what financial performance will be." According to the executive responsible for the Sears information utility,

[The indicators] turn out to be things like employee attitudes....It's a blinding flash of the obvious but it's amazing how many major U.S. corporations, including Sears, lost sight of the importance of their customers and their employees. What gets measured gets done. We knew that unless we produced *credible, auditable measurements in all three areas*--shop, work, and invest[ments]--all the attention would gravitate to financials, and we wouldn't get the traction we need in shop and work (*Fortune* 1997). (Emphasis added.)

Sears found a clear and direct improvement of customer satisfaction following a significant improvement in employee satisfaction. As a result of this integrated information approach, Sears moved from a \$3.9 billion loss in 1992 to more than a billion dollar profitability in 1993. The assets, including human assets, were already within the company; it was just a matter of using them well (Rucci, Kirn, and Quinn. 1998).

Any problem-solving analysis will find workforce perspectives and attitudes to be significant contributing causes. Even in other areas - process, equipment and material - workforce issues are often the chief contributors here as well. People were not informed of changed standards, processes were not followed, management was not informed (or did not pay attention) about changing conditions, equipment problems were not reported or if they were nothing was done.

The informational “causal pathways” from production, customer service, and other problems become quite clear under analysis. Sears found in “a blinding flash of the obvious” that responsible management needs to arm itself with proper information about the workforce and organization. Other companies such as Xerox, American Express, Digital, Federal Express, Hewlett Packard, and IBM have come to the same conclusion. They operate on the principle that people are not only the primary source of competitive advantage but the only sustainable one. They also recognize that the workforce is composed of real persons and not just abstract “employees.”

Effective information is not just for the corporate giants. No organization is so small that it can afford to be ignorant of itself. Having good management information, moreover, is more a question of will and know-how than cost.

Information disconnect

Lack of appropriate information does not result in a poor decision - it flaws the entire management process. Case in point: The sales manager of an annuity marketing company was concerned about the first year turnover of sales representatives. Well over 40% of those hired left the company before the end of their first year when they would begin compensation from commissions. She estimated that the first year turnover - considering direct costs, lost sales, management time, and replacement costs - to be somewhere in the range of \$40-50,000 per person. The true costs were probably more like \$75-90,000, but it makes the point.

I suggested she consider using some of the excellent, proven, and easily available psychological assessments to better identify those most suitable for both the job and company to reduce her turnover.

“How much do they cost?” she asked.”

“Your company could have an excellent assessment battery for about \$150 per serious candidate,” I replied.

“Oh no,” she said, “we couldn’t do that; we’re trying to cut costs.”

Anyone can “cut costs.” The goal of management, however, is to maximize investment returns; eliminating waste is the proper management paradigm. For example, turnover is bad for everything that is good for business--quality, safety, customer service, shrinkage, spoilage, breakage--just to name a few. Turnover costs, if they are even gathered, are rarely compared with the direct costs of hiring. As a result, expenses for hiring, training, and preparing new staff (who are more likely to succeed and stay with the company) are seen as a “cost” to be minimized rather than an investment to be optimized.

Many needless costs (wastes) stem from turnover: lost sales, work undone by others covering for that position, work undone or done poorly by a new person of lower proficiency, and, of course, the waste of manager time dealing with all the associated problems. Poor hiring practices can be quite costly, and the primary source of these cost comes from a deficiency in kind, distribution, and use of information.

Place, time and form

The essential value of an information utility is not that it provides information per se, but that it allows management to connect and analyze internal information with external success. Management can know where to put its workforce investments for best effect. Training is a good example. The American Society of Training and Development annually estimates that \$50-70 billion is spent on training. Still, most managers do not know what the real payoff value of training is. It is more an act of faith than a studied judgment.

People are often handed a “smile sheet” in a training session to find out if the participants liked the presenter and enjoyed the workshop. This information has little use in assessing the actual business value of the training. Managers need to know if the training improved business operations, so operational performance data has to be a part of any responsible training program.

Assuming that people are sent to training because some improvement is desired, that improvement need should be benchmarked and improvement gain measured. Cycle-times, statistical process controls, customer comments, shrinkage, sales-per-person are all sets of information that can be used to benchmark and measure progress for workforce performance. That kind of assessment unfortunately is not very common, so most managers have no idea what benefit they derive from training.

Ironically, most organizations have the information and expertise they need either *somewhere in the organization* or easily available outside. Most every major problem was at one time smaller, more easily managed, and probably *reported to somebody*. Sexual harassment, environmental spills, unhappy customers, supervisors running off good employees--these things are most always reported, not once but several times. The information just does not get to where it needs to be until its too late and in crisis dimensions. Critical information is often isolated or buried somewhere and, hence, without utility.

“If I had gotten this message earlier...,” mused Admiral Husband Kimmel, in charge of Pearl Harbor the morning of December 7, 1941. “Why didn’t anyone tell me about this earlier?” wondered the executive after receiving notice of a lawsuit for sexual harassment with instances going back several years. To borrow (with apologies) from Hamlet: “The fault, dear Horatio, lies not in the stars but in our management systems.”

Empowering management

Failure to make information available at the proper time, place, or form for management is a major contributor to a host of problems:

- * hiring and promoting inappropriate people
- * placing people in jobs without adequate training
- * work unsafely
- * losing sales and customers
- * losing good employees
- * wasting assets
- * rewarding support departments for poor service.

Having useful data and the comparative analysis it affords can pay off quite handsomely. The marketing vice president of a major long distance telephone company compared (a) data from a job matching selection assessment for hiring sales staff with (b) first-year sales performance and turnover rates. Addressing a conference, she reported marked improvement:

- * Candidates with an 85% or better job match made 5 times their quota the first year.
- * Candidates with an 80% or better job match made twice their quota the first year.
- * Candidates with less than a 75% job match tended not to last through the first year.

Compare that information with the situation of the annuity company noted earlier. With good information, annuity company management could move responsibly and effectively to correct the problem, save money, and increase sales. Estimates of selection process improvements, cost tracking for the improvement effort, reduced turnover costs, increased sales--all these things could be tracked and analyzed by the annuity company just as they are for the long distance company. This, of course, would seem to be the kind of straightforward cost-benefit analysis that any management should make for any decision. So what's the problem?

Having information available for "sundry analysis and reporting within the standard processing framework" allows management to make a number of critical analyses that vastly enhance the quality of the information and, consequently, the actions they turn it into, such as:

- * *Cluster analysis* that identifies correlations among different elements, e.g. turnover and supervision
- * *Linkage analysis* to find "causal pathways," and pairs of factors, e.g. training and customer repair service
- * *Time series analysis* to find effects management initiatives, e.g. incentives and quality

- * *Multi-factor analysis* to study the effects of a number of factors (such as those above) on a single-business outcome.

Vice becomes virtue

The absence of good information is so pervasive that the deficiency has become a virtue. Managers are urged to “make your best call” or “go with your gut.” Sure, you might get into trouble and then be told “you should have gotten better information,” but that is a risk you have to take. Besides, if you “can just get by this one” you can deal with it better later (or, better yet, it will be someone else’s problem).

Managers forced to operate without good information about their operations have learned to make decisions on the limited information available and move on. Unless good information is normally available when needed, managers realize that information gathered for a particular decision will probably not be available in the future for follow-up decisions. They will have to wing it anyway, so why bother? They will worry about the next problem when it comes up. That is not, of course, the way of continuous improvement. It is fire fighting, not fire prevention. Actually, it hardly seems like “managing” at all.

Managing requires more than making a decision and moving on. It requires making a decision and staying with it, making those adjustments and improvements needed to get the best results. And that, of course, requires *on-going* flow of information and analysis. *All* the information one would like to have when making a decision is rarely available, and wisdom and courage will always be a staple of good management.

Managers must, therefore, construct a place of balance between being too oblivious to what they should and could know and being immobilized because of the lack of complete information. Being prepared to take a risk, although not always the blame, might always be a part of management. Not making a reasonable effort to get better information, however, will never qualify as good management practice.

Information risks

Managers sometimes think that when they ask people for their opinions, they are doing them a favor, sort of a managerial *noblesse oblige*. The people asked, however, feel that they are doing *management* a favor, and they expect that some appropriate action will come from the insights and information they have shared. When the news is good, management has little problem sharing. When problems are evident, however, management tends to want to keep things quiet.

There are a number of reasons for keeping bad news quiet, but it is hard to think of a good one. Sure, the finger of responsibility can point upward. But most organizational and workforce problems are indeed the responsibility of management, and dealing with such problems is what management is *supposed to do*.

Some managers worry that the kind of open communication an information utility might bring is that there will be less control over “negative” information. True, but then the general atmosphere would be less sour if fresh air were allowed to circulate. The very presence of information is itself a positive force that elevates the level of everyone’s sense of participation and success.

Some argue the need to keep competitors from finding out about internal problems. This point seems plausible until you realize that people have already been talking. Competitors have been hearing it from the former employees they hired and probably know a great deal about your problems already - perhaps more than you. It makes no sense to try keeping the problem information from the workforce. They are, after all, the ones who told you about them.

The best approach is to inform stakeholders about what you are trying to accomplish, areas where you feel can be improved, and plans to make those improvements. Like Vince Lombardi, don’t worry if the competition gets a peek at your play book; dare them to execute as well as you. On the other hand, if no improvement is planned, what you tell people really won’t make much difference.

As a rule, communication to the workforce about adverse information should be soon, frequent, and honest. One client, in dealing with a serious problem among staff, instituted the phrase, “May the FORCE be with us,” with no apologies to the jedi knights. FORCE is an acronym for a “*Full, Open, and Respectful Communications Environment*,” pretty well summing up what information flow in an organization should be.

The next chapter looks at a possible structure and use of an organizational information utility.



Only the spoon knows what is stirring in the pot.

Sicilian proverb

Chapter Thirteen

Establishing an Information Utility

*You don't have to floss all your teeth
just the ones you want to keep*

My dentist



Information utility is more than just a new term. It is a new level of management capability based on a more comprehensive and integrated management information strategy. An information utility differs from other information strategies because it

- is on-going
- includes the *gathering, storing, and utilization* of organizational and workforce information
- *integrates* organizational information into operational information
- *utilizes internal information* in understanding external information
- has an *organizational architecture* to facilitate flow, management, and utilization of information.

Terms that have been employed in the past just don't quite capture the idea. "Management information system" (MIS), "information technologies" (IT), or "information services" (ISD) usually bring to mind computer hardware, software, and technicians. These are essentially technical *means* of handling information with computers.

Technologies are enabling, but they do not really address the critical content of "management" or "information." "Information flow" is a frequently-used term, but its meaning tends to be overly general and used wistfully by people who face the communication-thwarting realities of layered and silo-like organizations. "Information mining" is merely comparing databases for interesting patterns. A true information utility would provide workforce and organizational

information, the subject of concern in this book, as well as other management information-financial, production, marketing, etc. A utility would provide everything that feeds management's cockpit indicators.

An information utility has four essential elements:

1. *Means of gathering or generating* information (copies of reports, MIS shared information, surveys, operations data, equipment records, safety records, etc.)
2. *A database or network of databases* to serve as a library for information (cost-benefit analysis, equipment records, safety records, sales per customer, productivity, rejects, shrinkage, turnover, etc.)
3. Various *means of accessing and using* information (server-terminals, intranet, periodic reports, etc.)
4. *A management system* to ensure proper operation of the utility.

Adding value

The value of an information utility is in the analytical comparisons it affords. Some instances might require seat-of-the-pants decision-making, but it becomes a less forgivable management style. Such instances should be occasions for analysis and remedy rather than knowing approval.

Benchmarks and best practices can be assessed in terms of staff readiness and abilities to incorporate them before they are implemented. Later, management can track how well these standards are being actually implemented. Quality standards, production speed and volume, cycle-times, and employee morale and safety rates can be continually compared by the people who need to know. Knowledge brings the power to act effectively; the will, wit, and courage have to come from the person.

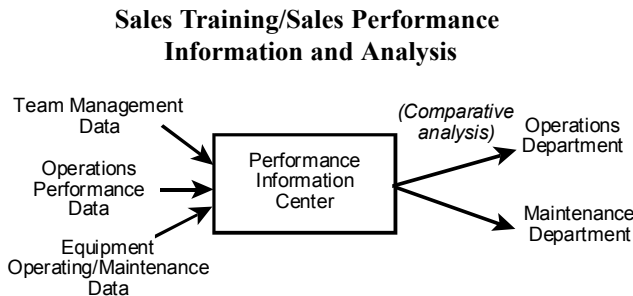
What is a utility worth? Consider the case of a chemical plant that reduced its engineering staff to “cut costs” by reducing “head count.” Because the work still had to be done, management contracted with an engineering consulting firm for the same service. Salary and benefit costs for a staff engineer were about \$65-85,000 a year. Annual salary plus travel costs, living expenses, overhead, etc. for

each consulting engineer were about \$150,000. At last observation, some of these contractors had been working at the same plant for more than 11 years!

Following are several illustrations of value-adding uses of an information utility. The samples assume some place in the organization with responsibility for supporting and tracking performance improvement initiatives. For purposes of illustration, I have called the operating center of the information utility a *performance improvement or performance information center*. The whole purpose of such information is to improve organizational and operational performance. Conversely, improvement efforts without good internal information would be quite handicapped.

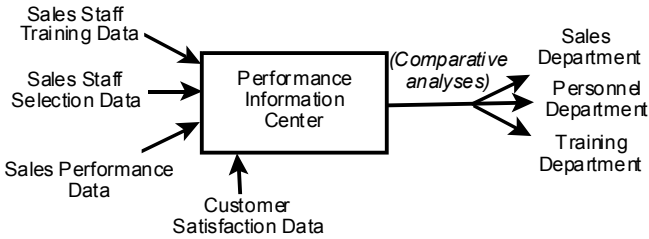
Training is a critical part of most every improvement effort, but sometimes training can actually undermine productivity. For example, a number of commonly taught time management practices, such as being incommunicado for a couple of hours a day, can impair the ability of other people to operate. Training that instills unrealistic expectations can lead to a number of problems. It is important that management knows whether it is buying improvements or problems with its training.

The example below illustrates a simple situation where training and market data flow into a data base and feed back to the training and sales departments, either with or for analysis. One can compare sales and customer data over time to assess and adjust the training. It can help avoid “faith-based” training and move to “process-integrated” training as a rational investment in operational improvement. (English 2001). The same process could be used for analyzing and optimizing sales staff selection and training.



Management can compare information about team management (e.g. who, when, how, leadership) with operations data (percent rejects, production level, staff costs, etc.) equipment operation (unplanned downtime, replacement rate, etc.) to make an assessment of the true cost value of a team management experiment. Other data, such as turnover rates, can be factored in as well.

**Team Management/Operations and Equipment
Performance Information and Analysis**



Information in action

An information utility provides on-going, comprehensive information about various aspects of the operation allowing a comparison of not only business processes with business goals but organizational and workforce conditions. A utility could provide valuable information in a variety of work situations:

Succession management - looking at candidate past performance and future potential (job fit)

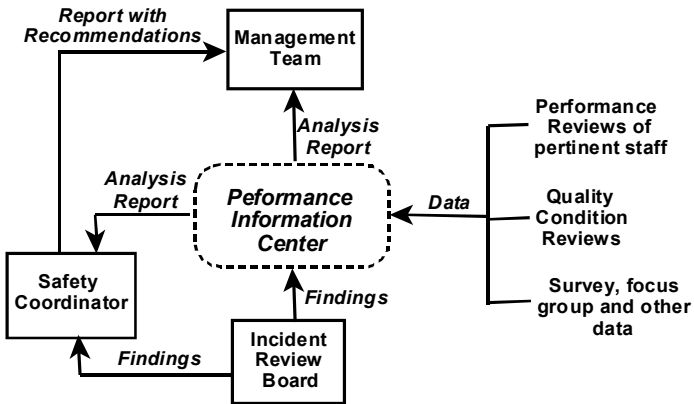
Customer complaints - facts of the incident itself, looking at support systems, candidate selection, workforce performance, organizational culture, etc.

Organizational preparation for change - culture, workforce KSAs (knowledge, skills, attitudes), systems integrity, etc.

Pay-for-performance - unit morale and competence, interdepartmental relations, etc.

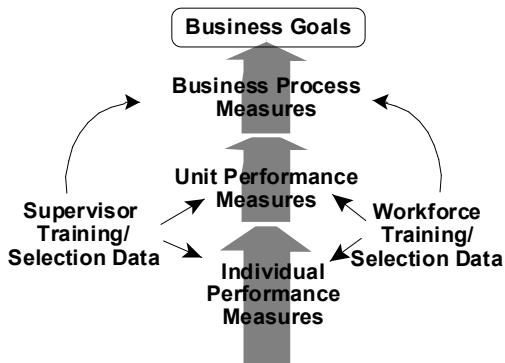
With situational information developed by an *Incident Review Board* and the comprehensive information provided by a utility, management would be prepared for solving arising problems, such as an increase in workplace injuries

Work place Injury Analysis Information Flow



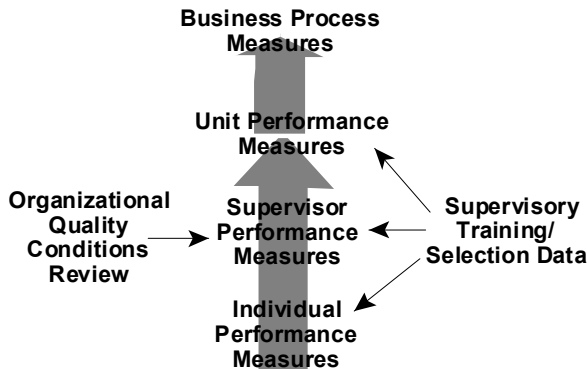
One can assess not only the impact of supervisory training and performance with individual performance measures, but also with business processes or even business goals. In addition, management can get a perspective by employee tenure, departments, overtime, etc.

Strategic Integration of Organization-wide Measures



One of the most common and most critical problems in an organization is poorly performing supervisors, whether on the shop floor or in a carpeted office. Even when the selection process is improved, a number of problem supervisors are probably already on the staff. A good set of measures can be brought to bear on that problem as well.

Supervisor Performance/Business Process Assessment



In this case, one can objectively assess both a supervisor's performance and how much that performance costs and benefits the operation. Management can even determine how the supervisor is likely to respond to training (through job-match selection). This information provides a basis for determining how much investment in remedial action would be appropriate.

The *Quality Conditions Review* is a survey that identifies the working conditions of the organization by unit. It is useful for identifying operating problems *before* they get too costly or difficult. (An example of a Quality Conditions Review questionnaire is found at the end of this chapter.)

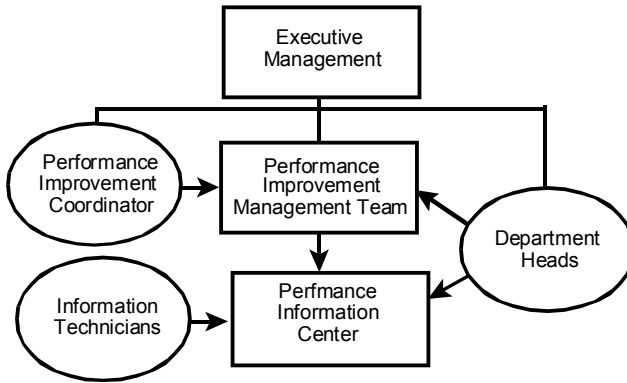
Information management

The essence of an information utility is in the process, not the place or equipment. This point is important because place and equipment can easily dictate what the system does, as is the case in many computer-focused systems. This approach does not mean, however, that no one is responsible for the system. There must be system management and facilities. There also must be some set standards for the use, updating, accessing, imputing, etc. of information.

One answer is a chief information officer (CIO). An “information department” or “performance improvement department” headed by a “czar” would probably end up being another silo to burden operating staff. One can design ways to manage an operational improvement program and an organization-wide utility

while minimizing parochial control:

Possible Information Utility Management Structure



An oil refinery suffering from serious management information problems took one effective approach. The refinery had an MIS system run by an engineer and supported by two computer technicians. The engineer was theoretically in control of all computer purchases and program installations. When systems fail to meet user needs, people improvise; in this case, departments and individuals loaded different software and used existing software differently.

Over time, the refinery developed a number of incompatible, non-communicating, and redundant information “systems.” Many systems were underutilized, ignored, or incapable of interfacing because there was no effective training program and little interdepartmental cooperation. A number of critically related areas, such as maintenance, engineering, and spare parts; refining operations and lab; accounting and purchasing; and refinery and home office information services were not communicating even though the systems were supposedly in place to do so.

The refinery established a Refinery Information Management Team comprised of representatives from all the *user* groups to make it relevant, and a representative of the executive team to give it muscle. The engineer and technicians became “technical support” to the Refinery Information Management Team.

The team first inventoried the existing computers and programs. It then identified the expert users for use in training others. It then began to look at ways to integrate the system. Finally, it began to look at the question of information gathering, storage, access, updating, etc. In other words, the team began to convert a collection of technology into an information utility.

Schedule of gathering

While pertinent information should be available as needed, it should be gathered at times appropriate for both the method of gathering and organizational circumstances. For example, one cannot survey too frequently, but production information can be gathered and used daily. Work is always safe or unsafe, and this can be gathered through an on-going employee observation program. Some information gathering is required by situations such as planning new initiatives or evidence of developing problems. A strategic information gathering schedule might be:

Periodic

Survey and interview	Bi-annual
Quality Conditions Review	Semi-annual
Performance Review	Annual
360-degree surveys	Annual
Vital records (e.g. HR)	Annual

On-Going

- Business performance (Customer satisfaction, rejects, cash flow, sales, etc.)
- Human resource data
- Safety
- Sign

Situational

- Focus groups
- Incident Review Teams
- Quality Condition Review
- 360-degree surveys
- Interviews

While an information-gathering strategy depends on the specific needs and circumstances of a given organization, there are some constants. For example, an annual performance review should be little more than a documentation of what has transpired during the year. If the annual review is an occasion to address performance issues, the supervisor has been remiss. Also, 360-degree surveys can be a part of a manager's annual review or used to address a situational problem such as turnover.

Locating the utility

There are many ways to structure and manage an information utility. Any effective approach would include multi-functional coordination. The worst approach would be to tack it on as a marginal “extra,” as is often done with improvement schemes. “Information circles” would be no more successful than the late and unlamented “quality circles.”

The idea of an information utility is not just to have information, but to

1. Gather information from all appropriate places
2. Generate the information where needed
3. Store and make the information accessible, or coordinate and guide local storage
4. Update, change, inventory the information.

A performance information center could be more organizational architecture than a physical place. Geographic spread can make a physical center impractical, and modern technologies make it unnecessary. A center could be an interdepartmental team or any other organizational strategy that will do the job. Every organization is different with different needs, and management must determine the best place and structure for its utility.

For an information utility to work, it must be integral to the management experience--like accounting for funds, equipment, and personnel. Justifying and supporting decisions with both sound market *and* organizational information and analysis must be an expectation of management performance.

The purpose of information is to optimize and improve performance. The

information utility would best serve as part of an office of performance improvement that in turn should be nestled closely to the CEO. An information utility separate from a performance improvement purpose would be of reduced value; a performance improvement effort without good information could not be effective.

While a formal performance improvement office may not suit every organization's need, placing the information utility under the wing of top management is necessary if it is to operate effectively. While the *best* place for an information utility might be in an office of performance improvement, we should not forget its primary purpose--to provide a constant feed of good internal information to managers so they can improve. This is true for both strategic initiatives and daily efforts of turning information into action.

The most important point is that it should be clear to everyone, management and employees alike, that (1) *actions will be based on information* and (2) *information will be acted on*. Whoever is required to make that point--and guarantee its fulfillment--needs to sponsor information gathering.



Ignorance gives one a large range of probabilities
George Eliot

Quality Conditions Review																			
										Your Unit			Org - Wide						
I. Leadership										-	+	-	+						
1. I have a good idea of what management's priorities are.										1	2	3	4	5	1	2	3	4	5
2. If I have to deal with a problem, I can count on my supervisor to back me.										1	2	3	4	5	1	2	3	4	5
3. We have a clear and meaningful understanding of our mission.										1	2	3	4	5	1	2	3	4	5
4. I know how my job fits with the overall mission and goals of the company.										1	2	3	4	5	1	2	3	4	5
5. Managers will do the best for the company even if it's not in their personal interest.										1	2	3	4	5	1	2	3	4	5
Total																			
II. Communication										-	+	-	+						
6. Communications are open and frank										1	2	3	4	5	1	2	3	4	5
7. If I have an administrative question, I can get a quick, courteous answer										1	2	3	4	5	1	2	3	4	5
8. Sometimes we are told to do things we know will not work, but we can't argue.										1	2	3	4	5	1	2	3	4	5
9. There is good coordination and cooperation among departments/areas.										1	2	3	4	5	1	2	3	4	5
10. There are not a lot of "secrets" around here.										1	2	3	4	5	1	2	3	4	5
Total																			

Quality Conditions Review Cont.

	Your Unit	Org - Wide
III. Work Situation	- +	- +
11. The way my work is evaluated is reasonable and fair.	1 2 3 4 5	1 2 3 4 5
12. I am involved in most decisions that directly affect my work.	1 2 3 4 5	1 2 3 4 5
13. Things are done in a planned, orderly way.	1 2 3 4 5	1 2 3 4 5
14. If I do a good job, management really appreciates it.	1 2 3 4 5	1 2 3 4 5
15. Our work is set up so that I can use my best abilities on the job.	1 2 3 4 5	1 2 3 4 5
Total		
IV. Team-orientation	- +	- +
16. When there is a problem, most people here will try to help each other.	1 2 3 4 5	1 2 3 4 5
17. Among staff there is a strong feeling of "being on the same team."	1 2 3 4 5	1 2 3 4 5
18. If I make a mistake, my supervisor helps me learn how to do it correctly.	1 2 3 4 5	1 2 3 4 5
19. We often discuss how to do things better.	1 2 3 4 5	1 2 3 4 5
20. If I have something tough to do, I can count on my supervisor to back me up.	1 2 3 4 5	1 2 3 4 5
Total		

Quality Conditions Review (Cont.)

	Your Unit	Org - Wide
	- +	- +
V. Organizational Climate		
21. There is a lot of trust here.	1 2 3 4 5	1 2 3 4 5
22. There is not a lot of "bureaucracy" here.	1 2 3 4 5	1 2 3 4 5
23. It is not who you know but what you know that counts.	1 2 3 4 5	1 2 3 4 5
24. Policies and rules apply to everyone the same.	1 2 3 4 5	1 2 3 4 5
25. Raises and promotions are based on a person's performance.	1 2 3 4 5	1 2 3 4 5
Total		
VI. Customer Service	- +	- +
26. I have been trained to take care of most customer needs.	1 2 3 4 5	1 2 3 4 5
27. The company expects me to satisfy a customer even if it means "bending the rules" a little	1 2 3 4 5	1 2 3 4 5
28. If I have a problem with a customer I can count on my supervisor to help me.	1 2 3 4 5	1 2 3 4 5
29. The company is very receptive to ideas on improving customer service.	1 2 3 4 5	1 2 3 4 5
30. I have confidence in the quality of our products and service.	1 2 3 4 5	1 2 3 4 5
Total		
Grand Total		

What would you need that you presently do not have to do your best work?

My supervisor could help me do a better job by...

If you were company president for one day, what one thing would you do to improve operations at the company?

Other comments:

Chapter Fourteen

Taking the Information Advantage

*The greatest danger for most of us is not
that we aim too high and miss,
but that we aim too low and reach it.*

Michelangelo



We began this book discussing the similarities between managers and coaches, but the comparison is unfair. Managers have it much tougher than coaches. For one thing, few managers have the luxury of just “coaching.” Rarely does a manager get to just watch and plan; most have to play as well. National sales managers, even CEOs, can find themselves making sales calls.

Coaches have it easy

Most managers would love some time to review game films, make game plans, fiddle with schedules, or pick their competition. Managers-as-players, unlike athletes, can rarely practice and prepare between games, because there is no “between games.” The clock is always running, everyday, for real and in your face. The manager has to hit the deck running, learn on the fly, sink or swim, and still find a way to win.

An athletic team has only, say, eleven or fewer players on the field at one time, and a coach knows exactly what each player is supposed to do. Coaches have all their players right in front of them or on a bench right behind them. The playing field has clear and constant lines and goals. The rules are clear and one knows immediately if there is a problem.

A manager, on the other hand, can have thousands of people with a wide variety of responsibilities anywhere in the world. Even if the people are in the same area, they are likely to be hidden behind cubicles, machinery, etc., or doing something the manager might not even understand. Problems have a way of being hidden until too large to ignore.

Coaches work on building their teams all the time. They understand that while talent is important, it is how the talent works together that creates winners (remember Doug Williams, Steve Young, and Trent Dilfer). Managers, on the other hand, might attend an occasional rope-climbing weekend or inspirational talk, the rest of the workforce making do with an occasional pep talk or scolding; but team-building is a special event, not a matter of course.

Watch a professional football game closely, and you will see observers everywhere and a network of telecommunications to keep the coaches and players with comprehensive and timely information. The secret of successful coaches, such as Bear Bryant, is a steady stream of good information about how each player and the team as a whole are performing.

Coaches come to the game with a great deal of information about their people. They know how their players are likely to perform, how they feel, their physical condition, with whom they work best, their strengths and weaknesses, etc. In other words, they know most of the things about their people that most managers do not.

The more favorable position of athletic coaching over organizational management is not likely to change. The last *information* advantage, however, is one managers could also enjoy if they exercise their option of having good information about their own players and team. No other competitive advantage can be gained with so little effort and expense.

So what's the problem?

For most organizations human resources are the biggest expense. Rather than simply trying to “minimize costs,” the smart strategy is to maximize value of an organization’s biggest investment to make it, indeed, its greatest asset. With so much at stake and so much information available, with the means so well known and so economical, and with the importance of having good information so self-evident, why would managers choose to be unaware of what is going on in their own operations?

There are numerous reasons, few with merit. As everyone who has had a job knows, many things go on in an organization that have absolutely nothing to do

with getting the job done. Indeed, they have much to do with *thwarting* the job. Egos, politics, tradition, remote authority, poor communication, cultural blinders, even human nature - all can get in the way of quality, excellence, productivity, customer relations, etc.

Take for example status and communication. Throughout the animal kingdom subordinates are alert to signals from the dominants - while the dominants, unless the subordinates get out of line or have something the dominants want, ignore the subordinates. It is the same in human society, including work organizations. Alphas tend to ignore betas unless they get out of line (question orders) or seem to have something that a higher-ranking person wants (a bigger office). The subordinate in such cases might get a nip or just a growl, although being too uppity can get you seriously mauled (fired, passed over for promotion, etc.).

It is not a matter of being snooty. Listening to subordinates is so against our nature that most people must discipline themselves to do it, and some simply cannot. It is doubly hard to listen to a subordinate giving bad news or contradicting what one wants to hear. Watch a manager listening to a lower ranking person and see who does most of the talking, who tends to interrupt, and who seems impatient when the other is speaking. Individual cases are problems, but when management culture *not only tolerates but expects* such behavior of managers, it becomes an institutional problem.

This natural tendency we share with other higher order animals is a principle reason management often not only fails to seek information from and about the workforce, but often rejects the very idea. Overcoming this natural dominate/subordinate tendency, especially when it is institutionalized, requires a credible, respected, objective, and reliable stream of information about organizational conditions and operations that exists, as a system, outside the control of any *one* manager - in other words, a utility.

Managers of small outfits often feel they are in such close contact that formal information-gathering is not needed. Except in very small organizations, this assumption is usually false. Some managers think they know what everyone thinks, some don't care, and others are afraid to know. Some managers simply don't understand the value of such information but, if you have read this far, I

hope you are not among them.

Most managers, however, recognize the need for better information and would welcome a cost-effective solution. One of the most formidable impediments to establishing an *effective* information system, however, is the presence of an *ineffective* one. Managers can think they are already doing what they can because they do not understand what kind of information is needed (a paradigm issue) and/or what kinds of information can be made available to them (an awareness issue).

Many well-intended managers have tried to get good internal information, but failed to get the results they had hoped. When doing an organizational assessment, one often hears staff remark that a similar study had been done before but nothing happened. Sometimes, even the proposal of a study will prompt some managers to note that an earlier study only made matters worse.

It is how you do it

Certainly, the limits on time and money require management to exercise prudence and frugality in any effort. Therefore, if you do an organizational study, do it right or don't do it at all. A poorly done effort will, indeed, probably make things worse. To emphasize a point made earlier, the critical difference in all human endeavor, is not *whether* one is doing something, but *how well* one does it.

Every enterprise has many opportunities to do poorly, and overcoming them is what makes the difference between those who succeed and those who don't. Some managers are more prepared than others to follow a regimen of excellence.

Information gathering for management purposes does not require the same rigor as does science, but unless one has some respect for the needs for good rigor, it may be better to just leave it alone. For example, at a meeting of a local chapter of a national professional association, the board chairman was reading the findings of a recent membership survey.

After learning that a high percentage of members seemed to think this or that, I inquired about the response rate for the survey. It was only 15% which, in my

mind, meant that we know only what a very small and self-selected portion of the membership felt. In other words, we really knew very little about the total membership, and there was a high likelihood that much of what we “knew” was wrong.

Nonetheless, the next newsletter reported the “findings” as if they were indeed indications of the sense of the membership. The board used that information as the basis of its planning for membership services and programs. This kind of scenario is not uncommon for many “studies” of membership, customers, employees, etc. Turning that kind of information into action is a formula for failure. Without *good* information the good choices are few or, perhaps, remain hidden.

Authority reliance

Another major cause of information antipathy by managers is over-reliance on authority as a style or culture. Many management cultures not only tolerate, but expect and condone autocracy in the belief that there must be a “boss.” Certainly, an organization will not work without *some* form of operating authority. This does not mean, however, that a dictator is required, especially a megalomaniacal tyrant. Operating authority means only *some* structured way to make legitimately binding decisions.

The problem does not lie in authority itself; there has to be a hand on the helm. Rather, the problem stems from managers who rely heavily on authority at the expense of shared knowledge. Such people are threatened by good information about the workplace, especially if it might bring the finger of responsibility for workplace problems back to them where, of course, it should be. Authoritarians tend to be very thin-skinned.

An authoritarian organization collapses around autocrats and becomes like an array of medieval fiefdoms. Work focus moves from customers and organizational goals to satisfying the boss. And, because of the “corruption of power,” noted well by Lord Acton*, management can move toward a neglect,

* Most will recall Lord Acton’s dictum: “Power corrupts; absolute power corrupts absolutely.”

even subversion, of quality and good performance. According to one study,

76% of the workforce observed “violations of the law or company standards” within the past 12 months, 61% felt that their company “would not discipline those who violated ethical standards,” 38% said management would authorize “illegal or unethical conduct to meet business goals” (*Fast Company* 2000).

From a personal observation, a company that had once been a respected name in home appliances had worked its way to the bottom of *Consumers Reports’* ratings for poor quality. When the company got into defense contracting, however, and needed to be ISO 9000 certified, it used an internal auditing staff to test the company’s ability to pass the periodic ISO certification audits. When staff failed on internal audit, they were sent to training; not on how to do the ISO processes better, but on how to defeat the audit!

Performance focusing

Paradoxically, the more management relies on authority, i.e. the harder it “pushes,” the less performance it tends to get. One reason, as noted above, is that the focus is less on performance than in making the boss happy. A boss surrounded by an obsequious and sychophantic staff tends to become increasingly indulgent and less focused on customer or organizational needs. Such bosses are also less likely to receive, welcome, or believe corrective information.

The single most important element in workforce performance and retention is supervision, but management frequently discovers problems of poor supervision only after much damage has occurred. Subordinates, of course, had long known only too well about poor supervisory performance.

Optimizing an operation cannot be accomplished by waiting for problems, such as employee turnover, to appear. For management to ensure effective supervision it must have a constant stream of information about employee morale, organizational climate, communications, and culture, i.e. about supervisory performance.

Ensured outcomes result from workforce and organizational performance. Good performance, in turn, results more from providing proper goals and effective feedback to and from the workforce, rather than by traditional, direct management pressures (Bander and Cervone, 1983). Many feel it easier to measure the impact of training in improving “hard skills - typing, welding, and commercial driving, than soft skills - communications, customer relations, and supervision.

Measuring the impact of training is not the primary problem. Rather, the core problem is failure to measure the performance on the job. The reason supervising is considered a “soft skill” is that managers tend to go soft on their requirements and appraisals of supervisory performance. If the welders and bank tellers operated in this kind of performance environment, their skills would be “soft” too.

The truth is, however, *it is easy to find out how well your supervisors are supervising*. It is also easy to determine if training is making them better. One previously discussed tool, the *Quality Conditions Review* survey, asks employees if their work is well planned, if they can get a decision if they need one, and how their department works with the others - all indicators of supervisory performance. Another indicator is a 360-degree survey that gives measures of developing others and work organization, as well as performing supervisory responsibilities.

If management wants to “harden” up these critical “soft” interpersonal skills needed to optimize the organization, all it has to do is get some hard information from the workforce. It is amazing how much supervision improves when someone is keeping score.

Information and micro-management

It is the lack of information and the insecurity and anxiety that it engenders that prompts one of the most insidious and costly problems in management - *micro-management*. Micro-management collapses an organization, rendering it less effective, but then micro-management usually stems from an organization not having good systems to start with.

Without systems to provide good information about the workplace, a manager is forced to take direct action to “make sure” things are done right. Employees, feeling that “management will make the decisions anyway,” simply quit putting themselves at risk and send the decisions upward.

Micro-managing decisions are usually situational and ad hoc, tending to undermine good work processes rather than build them. Consequently, they introduce changes without providing appropriate environmental support and context, such as funding or even adequate explanation. Micro-management thus feeds on itself, creating its own need.

Micro-management can also stem from personal inclination and a compulsion for personal control such as the manager who said, “Team work is everybody doing what I tell’em.” Poor selection processes, a management function, often put unsuitable people in management positions. Micro-managing can be a heady experience for managers who feel they have now validated their importance by showing employees how to do it. Incompetent managers tend to micro-manage because they don’t know how to manage properly and, worse, tend to pressure their subordinates to micro-manage as well. Without good information, however, it is hard, even risky, for even good managers not to micro-manage.

Free enterprise workplace

History has demonstrated quite clearly that the authoritarian strategy fails in the long run to compete successfully with a free-enterprise strategy. The simple reason is that, on a protracted basis, a committed workforce renders a better effort than a compelled one. *Well-regulated* free enterprise systems are also more corruption-free because they are less tolerant of fiefdoms, more customer-focused, more performance-oriented, and more robust from an invigorating sense of ownership. Given the advantages of free enterprise over autocracy, one wonders why more managers do not employ a free-enterprise strategy rather than an authoritarian one.

Free enterprise is a “pull” strategy that requires a different kind of leadership than authoritarian push. Free-enterprise systems are open and have a lot of “can-do’s, while authoritarian systems have a lot of secrets and “no-no’s.” Free enterprise allows people to become effectively involved, to employ their

abilities, and to anticipate some resultant reward. Their involvement, however, must be pulled in the desired direction. Pulling through purpose is a dynamic, adaptive strategy while authoritarianism pressure tends to be defensive and rigid.

A free enterprise system, on the other hand, is characterized by organizational adaptability and innovative problem-solving - both of which require good, shared knowledge throughout the enterprise. Some organizations don't know how effective they can be because they have never been optimized. That condition requires a level of control that only a well-informed management can achieve and that requires a system to gather, process, and make available internal information.

Now what?

Earlier I said that this book was not a "how to do it" manual. While the examples, discussion, caveats, and guidelines would serve that purpose, these technical aspects are included only to support the primary purpose of the book: to provide a manual and reference for establishing an on-going, comprehensive system for having the kind of internal information and comparative analysis management needs to deal effectively with the external environment.

While good information will always be essential to making good decisions there will always be difficulties in gathering it. One might wonder if establishing an information utility is worth the effort. The answer would seem "yes." Potential problems in information gathering are a caution to do the job right, not to give up. Imperfect knowledge held by an open, inquisitive mind is still better than willful ignorance. And, while all knowledge is imperfect, every piece we can put in the puzzle provides us a better picture. Such information can greatly broaden and strengthen the abilities of any management and prove a wise investment. The only sacrifice would be the illusion of freedom that sprouts from ignorance.



We can forgive a child who is afraid of the dark.
The real tragedy is the adult who is afraid of the light.

Plato

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