

1

Introduction

The Next Stage—Activity Focus

THE IMPROVEMENT TOOLBOX IS ABOUT *CHANGING ACTIVITIES* and how you as a manager, can make simple adjustments to shape employee behavior. The Improvement Toolbox is about constructing jobs that encourage positive behavior rather than asking you to spend time prodding, nagging, and controlling to see changes occur.

The Improvement Toolbox provides you with uncomplicated tools that people will actually use to improve their area's performance.

The Improvement Toolbox quickly shows you two essentials:

1. The steps to ensure that important activities stay important;
2. How to improve the performance of your area.

The Improvement Toolbox teaches you how to create jobs that encourage specific activities. Its simple format for the review of your business situation also provides a guide to help you explain to employees what must be done to make your organization successful. Then you can streamline necessary processes, improve service delivery, and still have time left over to practice your coaching skills. The Improvement Toolbox shows you how.

The Improvement Toolbox is practical, focused and to the point. If your area requires change or improvement, this book will save you and your organization time, money, and frustration.

Warning: If you follow the steps outlined in this book, you will have more time to manage; your area will run more effectively; and you may be promoted to help other areas within your company.

Streamlined Management Group Inc. (SMG) is a management consulting firm that provides managers with effective tools and practical techniques for *changing* activities. The Improvement Toolbox is based on extensive research and field testing, conducted over four years with over 60 organizations.

The Improvement Toolbox describes a method that works. It is easy to understand, realistic, and ready for you to use.

The Core Of The Book

The Improvement Toolbox is based on two fundamentals: the right structure and the right tools.

THE RIGHT STRUCTURE

The majority of employees behave the way they do because their job structures encourage or discourage certain activities. *Performance targets, measures, rewards, incentives, and management attention (or criticism) are examples of job structures.* **Job structures are the elements in a working environment that influence employee behavior.**

Changing activities requires more than talk. It is necessary to change the structures that drive behavior in the company. This means developing structural elements to encourage required activities in the face of the organization's constantly changing priorities. The required activities must be reinforced. Otherwise they fade away when management attention shifts to other issues.

The Improvement Toolbox is about encouraging specific activities and removing obstacles rather than coercing employees. It shows a manager how to fashion a positive context in which the prevailing structures encourage employees to act in the company's best interests.

THE RIGHT TOOLS

Most improvement tools currently being taught are too complex and time-consuming for managers or employees to comfortably use over a period of time. Individuals who normally deal with an issue in 15 minutes will

not use a tool that requires hours or days to complete. The Improvement Toolbox describes simple, effective tools that can quickly be used by the majority of employees. It is better to provide uncomplicated techniques that are actually used, rather than teach elaborate ones that are never adopted.

HELP FOR MANAGERS

Why is this important? Aren't existing techniques or programs sufficient? There is growing management frustration with programs that promise real change but do not deliver. Adjusting behavior requires more than a new idea or a catchy phrase. Managers listen to the concepts but are left to sort out the implementation details on their own. Talking about changing perspectives is one thing. Actually helping employees to *behave* differently is much more elusive.

Managers are waiting for help.

Managers need help *doing*. The Improvement Toolbox gives managers a model to follow when activity and behavior changes must be made. Managers need to know how to combine the right structure and the right tools to bring about sustained action.

HELP BASED ON RESEARCH

SMG's research found that successful projects were often accompanied by structure changes in the organizations studied. These modifications encouraged the behavior required for the project's success. For example, changes to existing performance measures or employee evaluation criteria were enough to sustain needed activities in some situations. The Improvement Toolbox is based on this research. Once managers grasp the principles in The Improvement Toolbox, activity changes are possible.

The following model describes the transition through which most organizations are attempting to navigate.

Stage 1 To Stage 2

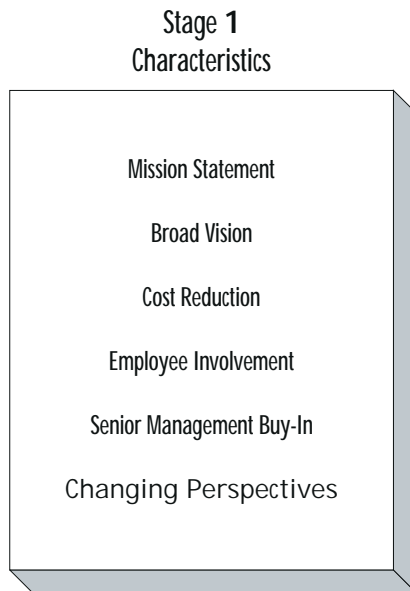
Organizations have tried a number of programs to improve performance. There have been many success stories and significant achievements. The goals of improvement programs are worth pursuing, but success requires genuine changes in daily activities and routines.

Stage 1 programs, however, are better at changing perspectives than changing activities. They promote the need for change without providing the tools, understanding, or outline needed to bring about activity changes.

A few organizations have made the transition to Stage 2. They have made actual changes to activities. The Improvement Toolbox contains a pattern you can follow. It is a guide book for moving to the activity focus of Stage 2.

Stage 1 Focus: Perspectives

After pursuing popular improvement programs, many organizations have certain points in common. We classify these organizations as Stage 1:



Stage 1 companies have developed a mission statement to summarize core values and the organization's purpose. They have expanded the mission statement into a broad or general vision of where the organization is headed. They have finished one or two rounds of cost reductions. The objective was to reduce costs by picking the low fruit or finding easy opportunities to correct product or service problems. Some of the more enthusiastic (or frightened) employees were involved in the cost reduction efforts and perhaps in the development of the mission or vision statement. However, many employees are reluctant to become involved in other changes due to the memory of past company practices, poor role models, or both. Senior management has adopted the jargon and is committed to continuing to reduce costs and involve employees. But further down the organizational chart, cynicism is more common than enthusiasm. The employees and line managers are waiting for concrete signs of commitment rather than more speeches.

Stage 1 programs are effective at convincing employees to consider new ideas. A mission statement created by all the employees and managers can be a way to communicate what is important in the organization. If management action corresponds with those ideals, it can be a positive experience. If prevailing practices do not line up with the mission statement, employee cynicism increases.

Many Stage 1 companies stop progressing after a promising start. *Fatigue* sets in. Employees and managers lose patience with waves of new ideas. They are not interested in learning more *thinking* material. Managers want help *doing* things differently. After Stage 1, managers understand that changes are required, but are not clear how to actually go about changing activities.

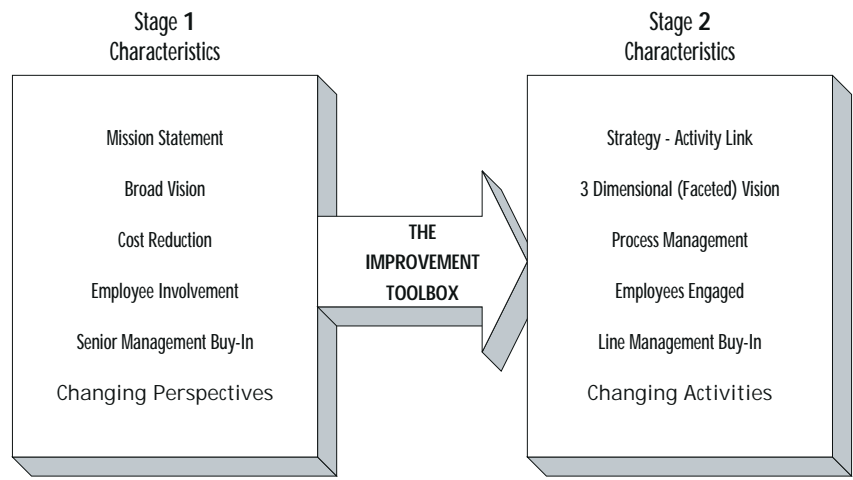
Stage 2 Focus: Activities

Doing is Stage 2's strong suit. Stage 2 organizations have a number of things in common:



They have moved past, but not away from the mission statement. The intent is to change *activities* so that they align with both the mission and strategy. Linking activities with strategy involves looking for the practical requirements and ensuring *activities* match strategic requirements. Rather than be content with a broad vision, they now understand the need to communicate the *activities* that will enable the organization to continue to perform well. Their cost reduction efforts have given way to a focus on managing core processes. Employees are engaged (or responsible) and accountable for the day-to-day management and ongoing improvement of these processes. Whereas in Stage 1, senior management was convinced of the merits of change, now line management is involved and accountable for specific activities. For all levels, Stage 2 organizations have constructed jobs that advance specific activities.

The transition from Stage 1 to Stage 2 involves moving from changing employee perspectives to changing practices and encouraging definite activities.



The improvement method presented in The Improvement Toolbox does not replace Stage 1 programs, which are effective in helping people to recognize new possibilities. It is Stage 2 organizations, however, that deliver on the promises made during Stage 1.

There is very little practical help available to equip managers for the activity focus of Stage 2. One executive complained that some organizations make Stage 2 promises, then deliver Stage 1 material without any implementation support. That is why The Improvement Toolbox was written.

The Improvement Toolbox is a manual for Stage 2 organizations. It provides the essential tools needed for successful transition to Stage 2. The Improvement Toolbox gives managers the skills to do the job.

Specific Improvement Programs

There are a number of improvement programs that deserve mention. Though their focus is different, they involve similar goals. Each is beneficial in certain situations, but misses a critical element. These programs need to combine the right structure and the right tools to encourage changed activities.

Because of their lack of an activity orientation, we classify them as Stage 1 programs. The following programs are reviewed: reengineering, teams, technology, quality standards, and principle-based individual change.

REENGINEERING

Reengineering targets rapid, major organizational change. The program focuses on customer needs, quickly fabricates new operating methods, and abandons current practices (if necessary).

Reengineering assumes that an organization has moved so far from its necessary activities that the only option is radical surgery. However, many organizations discover that the pre-reengineering collection of activities was not altogether wrong. The reengineering effort goes full circle, arriving back at the original set of activities with some supposedly essential modifications. The team suggests changes but often leaves many of the previous reinforcing mechanisms in place, perpetuating the same activities with the same problems.

Holding this massive change together requires substantial organizational power. While extreme measures are appropriate to organizations on the brink of failure, this approach can lead to less than positive results for other companies.

The resulting new organization looks surprisingly like the old one. The deadline limits the time available to listen to employee concerns, so employees feel used and are less willing to trust management in the future. One senior bank executive discussed the impact of his company's several-million-dollar reinvention. He said, "It's like nothing changed except a few titles. We're exactly like we were before."

Most organizations don't need radical surgery. They need to review processes and structures to make sure required behavior continues. This method is simpler, less risky, less expensive, and meets the original objectives.

TEAMS

Some organizations spend heavily on retreats, mountain climbing expeditions, and personality assessments. The objective is to form a team with the right makeup of personalities, a healthy sense of trust, and effective communication skills. The assumption is that with an adequate team leading the way, the organization should be able to accomplish necessary changes.

A management team with these characteristics would be enviable, but this approach leaves untouched the job structures that shape employee behavior.

TECHNOLOGY

“If we just had a better computer system, we could increase performance and individual employee effectiveness.” Information accessibility is a key success factor for organizations seeking to improve performance. Organizations need systems designed to fit their unique needs. There are many powerful examples of technology-assisted improvements. There are also many examples of implementations that didn’t live up to expectations.

Systems often entrench current, pre-improvement steps and activities in programming. This makes ongoing improvement difficult. They frequently add complexity without changing the mechanisms that drive employee behavior. One system being implemented in many large corporations requires the configuration of several thousand interacting tables to determine how the system functions. Many corporations struggle with that level of complexity.

Technology *can* facilitate improvement but processes should be improved and job structures reviewed *before* creating specifications for a new system. In this way, the new system can help to reinforce effective behavior.

QUALITY STANDARDS

Many organizations believe that documenting existing processes to achieve an audited quality standard will improve performance. Reviewing current practices can uncover errors and needless steps. Some companies use the standards as a reason to make needed changes, but many move as quickly as possible through the hoops due to marketing pressures.

If employees don't personally see performance changes during the documentation process, the quality standards are seen for what they often are—marketing support. In addition, the amount of documentation that must be changed and coordinated to make a procedural change acts as an effective deterrent. The standard then acts as a roadblock to subsequent changes.

Quality standards don't guarantee that existing processes are the right processes. They encourage consistency rather than ongoing improvement and they ignore job structures that encourage positive employee behavior.

PRINCIPLE-BASED INDIVIDUAL CHANGE

We agree with the goals of a principle-based, individual change approach. Individuals influence their organizations and families by changing themselves. Integrity, honor, and trustworthiness should be the hallmark of every successful manager. I know of no business person who would not benefit by *applying* the techniques and perspectives introduced in this philosophy.

The problem with this approach lies not in its intent but in the lack of an adequate audience. This approach correctly states that intrinsic (or internal) motivation is the most powerful and that if this motivation is positive and honorable, significant change can result.

The difficulty is that most individuals within an organization are not interested in pursuing self-development. An interested few are sufficiently thoughtful, self-aware, and self-disciplined to be involved. We call these individuals *Value-Guided* because their actions are based on their own internal set of values. In most organizations, however, the rest of the employees are preoccupied with other issues. Their behavior is guided or shaped by their working environment or job structures. We call these individuals *Environment-Guided*. See Chapter 5—"If I Were You . . ." under the heading Motivation, for a complete explanation.

Even within the interested minority, most are open to self-development but are unable to *apply* the suggestions and make the changes. Most feel that by talking about the material, they have made the necessary changes (although people working in their departments may not agree).

This approach contains many excellent concepts, which I find helpful and challenging. The best of the principle-based material is the work done by Stephen R. Covey and his organization. While I wish that everyone could review personal motives, activities, and values as outlined in this

approach, I believe the real audience for this material is management and primarily senior management.

Due to the limited audience and the lack of a process orientation, this approach is appropriate for personal change but lacks the practical tools most managers need.

Summary

Managers need equipment for the next activity-focused stage of improvement. The Improvement Toolbox provides a basic and practical understanding of how to forge a sustainable improvement effort using structure and uncomplicated tools. Understanding and applying The Improvement Toolbox will bring a significant return for any busy manager. The next chapter describes the format and design of The Improvement Toolbox.