Operation Excellence

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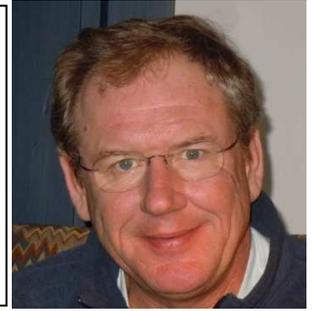
Culture and Respect for People – Key to Excellence

It has been well documented that most Continuous Improvement efforts fail and "end up in the ditch." My 2 cents is that we all know that "culture" is key to organizations' change efforts and their overall viability. The Toyota process called for two pillars… **respect for people** and continuous improvement.

A couple of weeks back, Bill Waddell wrote in his "Evolving Excellence" newsletter his thoughts on "The Lean Model" that successful efforts depended upon working all three corners of what he calls "the big picture" (http://www.evolvingexcellence.com/blog/2012/05/the-big-picture.html). [I try and read everything that Bill writes… he is excellent and spot on!] One of Bill's three corners for success is "**Culture and Involvement of People**".

Goldratt's approach in the Thinking Process (TP) verbalized tools that examined and worked to eliminate (people) conflict. Some of his last work includes the quote:

> "*I smile and start to count on my fingers: One, people are good. Two, every conflict can be removed. Three, every situation, no matter how complex it initially looks, is exceedingly simple. Four, every situation can be substantially improved; even the sky is not the limit. Five, every person can reach a full life. Six, there is always a win-win solution. Shall I continue to count?*"

– all in all, a very "**people" oriented approach**.

In practice, the "culture and people" principle is probably the most violated and root cause for the most cases of improvement initiative failures. (Not just the failure of improvement initiatives…but the failure of organizations too). How many interviews have you set through where a candidate said, "I'm a 'people' person"? Nice words, but many times they may be "talking the talk", but they don't "walk the walk". How many improvement efforts are a thinly disguised veil for cost reduction and layoff of employees?

So we know that "culture is important". But I find that we don't know how change or improve our culture. It seems that "either you've got it (a good culture) or you don't!" My friend Tom Arenberg wrote an article a number of years ago about the difficulty of changing an organization's culture --- it is darn hard to do!

As changing a culture is "hard to do", we often don't make "culture and people" a high enough priority. Far too often the culture is only changed when there is a change in leadership at the top of the organization. As most of you that receive this newsletter are working at closely held organizations, where leadership changes are far more infrequent – "culture and people" are addressed even more infrequently. We are uncomfortable doing the self examination, we are unsure of how to manage our need to change the organization's culture – we ignore it and instead deal with the other dilemma(s) du jour!

[Please understand that when I am talking about "culture and people" --- I am not suggesting that suddenly you should have start having wine and cheese parties on Friday nights for all employees (or open a bar tab at the local saloon)]. I'm suggesting that you examine your culture and "how your organization **really** works. If you don't understand how your

organization "really" works, you can't understand what needs to be changed, what it needs to be changed to… and most importantly how to bring about that change.

A few newsletters back I referred to a friend of mine… Pat McDonnell. (www.themcdonnellcompany.com) Pat has been friend and mentor and verbalized beliefs that I long held in his book, "**Everybody Wants To Go To Heaven – 6 Steps to Organizational Excellence**". With his permission I want to highlight a section out of that book that I have found helpful in working with leaders who are examining their organization and are feeling a need to change their organization's efforts at working with "people and culture".

Pat's belief (that I enthusiastically share) is that to create excellence, we need to have/develop/share a values based community. Using Pat's words, I am going to verbalize an organization's "culture" as "a values based community". Since being introduced to Pat's work, an observation that I've made is that we **thrive** (demonstrate excellence) when we are working in organizations (families too) where we share the same values. If we don't share a value with a person, we tend to minimize contact with them and as a natural effect align ourselves with folks that we do share values with. If you and your spouse don't share the same values… your family is headed for trouble! If you and an important customer don't share similar values, they probably aren't going to be a customer for long (I recently counseled a client to drop a customer who was difficult, demeaning, demanding, and attacked her employees' self esteem – that customer did not share the values that my client felt were important to her firm's culture.)

The four key values in Step 2 of Pat's work that will help you create a organization based on "culture and people" are:

- Integrity
- Teamwork
- Respect
- Responsibility

I won't go into the specific definitions… separately; these are all generally understood terms. The approach/application of these values is what is most important.

Do you and all members of your values based community approach everything with **integrity** – intellectual honesty – standing for truth in everything you say and do? You and your members cannot have opinions, arguments and decisions that are ill-founded, emotional, self-centered or politically motivated.

Do you and all members of your values based community practice **teamwork**? Pat's experience as a commissioned officer in the Marines not doubt had an effect of the veracity of his feelings on this value, but even if you haven't been a Marine officer… teamwork is fairness and working together.

Do you and all members of your values based community practice **respect**? The client mentioned above had a customer that did not respect her company or her employees… end of story… the relationship could not be repaired and was not going to get better. Another way of viewing respect is the old Golden Rule.

Do you and all members of your values based community practice/assume **responsibility**? Mistakes happen, but do you assume responsibility for everything you say, do, commit to do, or fail to do? When something goes wrong… do you step up and take responsibility? – Don't blame somebody else!

I have advised clients to incorporate these 4 values in their employee evaluation process. As an example, "if Johnny doesn't exhibit integrity, play well with others (teamwork), respect other members of the community, or assume responsibility… then he isn't going to get a raise and he is going to have to leave our community." At another firm, an evaluation of a manager came down to "Does Kim (name has been changed) practice **all** of the 4 key values? Her supervisor sadly agreed, "… no, she does not … and she probably never will." We decided to ask her to leave the organization.

Pat's work, made my ability to analyze, verbalize, and most importantly change an organization's culture much easier.

This newsletter focuses on only one of the "6 Steps to Organizational Excellence" that Pat describes in his book. For your consideration… the 6 Steps are:

Step 1: Master Change
Step 2: Create a Values-Based Community
Step 3: Lead More Effectively
Step 4: Create a Strategic Plan
Step 5: Execute Your Plan
Step 6: Achieve Continuous Improvement

As mentioned above, changing an organization's culture is hard to do. I've seen a relatively small handful of leaders make the self determination that they needed to change their organization's culture – and then have changed it successfully. Most often it has to be facilitated by a mentor… someone that will keep the process of change intellectually honest.

Pat's approach works. I've used it with several clients. If you would like to discuss it more… Pat can be contacted through his website… I'm certainly comfortable with this approach and willing to work with you too. This is a vital step as you strive to change and make your organization's team and culture more successful in implementing a process of ongoing improvement. If you aren't providing the right culture and demonstrating the importance of involving the people of your organization in these efforts, you are probably going to stumble along and most likely fail.

All the best!

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