

## Toward Organizational Excellence



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If one were to conduct a poll to determine whether members of business organizations are in favor of organizational improvement, it is likely that the results would indicate that almost everyone is in favor. If asked if they believed their own organization should be involved in organizational improvement, it is likely that again most would agree. However, if we were to ask organizational members to define organizational improvement or ask how to improve their own organization, it is likely that the answers would clearly fall in the category of organizational change. Nevertheless, actually linking these changes to organizational improvement might prove somewhat problematic. In summary, it is often said that change is difficult. Simply making changes may not prove to be difficult. But making changes that truly result in long term organizational improvement may prove quite difficult to accomplish.

### How Does Your Organization Define Organizational Improvement?

One of the issues with organizational improvement is that the very name implies that we are improving the operation of the overall organization; but, at least over the short term, improvements in certain areas may lead to difficulties in other areas. For example, perhaps an organization has determined that it has insufficient resources to offer proper after-the-sale support to its customers, and over time, this is creating numerous issues including loss of current customers and an undesirable image in the industry. This could be addressed through providing additional resources for customer support or controlling sales growth until support resources grow sufficiently. In fact, both of these solutions used together might be the most practical approach. However, would slowing sales growth and potentially giving up market share be viewed as organizational improvement across the organization? This provides an example of why it is necessary for an organization to establish clear goals and definitions of the desired timeframe and outcome of organizational improvement. Having clear goals and definitions will make it much more likely that those interim actions may be undertaken, even if they are perceived as being undesirable for some parts of the organization.

### Common Impediments to Organizational Improvement

**General Resistance to Change.** Change itself doesn't necessarily lead to improvement. Nevertheless, change is necessary in order to achieve organizational improvement. Change of any type is often perceived as a risk to those who are satisfied with the current state of affairs. From this point of view, any change has many negatives including the introduction of new unknowns; possible loss of current influence, resources, and power; additional workload in terms of actual time and cognitive demands; and the possible need to restructure both personal and departmental plans for the future. This resistance to change may be at both the executive and operational levels of the organization, but in both cases it greatly impedes movement towards organizational improvement.

**Delays Caused by Indecision.** A healthy discussion of the desired changes and best direction for the pursuit of organizational improvement is necessary. But, if this phase of the organizational improvement program is drawn out too long, then the push for improvement will be impaired. Significant improvement often becomes apparent only over the long term. For those opposed to change in general, or to specific aspects of the improvement program, delays in decision-making may derail the entire program.

**Lack of a Systems Thinking Approach.** How often do organizations make improvements to sub-processes or parts of a system, to later find out that the improvement had no impact on the output from the process? Many quality standards focus on the criteria and requirements that a system must achieve in order to obtain customer satisfaction, and how it can be audited and evaluated against those requirements. Effective business management systems must focus on how to define, measure, analyze and improve processes. A structured approach is needed that identifies the results to be achieved by the system and then assesses all variables that influence the successful execution of those results. What is needed is a systems approach to designing business systems.

**Scarce Resources.** Often the push for organizational improvement is greatest during difficult economic times or during a cyclical downturn within an industry. Unfortunately, substantive improvements generally require resources and investment. As a result, the concern over scarce resources can provide an argument for those opposed to some of the changes. This problem is compounded by the perceived (and often real) possibility that resources will be shifted in order to achieve improvement, causing potentially impacted groups within the organization to engage in turf protection.

**Need to Show Immediate Results.** Successful long-term continuous improvement is often based on making incremental changes. This is the basic philosophy of Kaizen. However, the short-term focus of quarterly reporting contradicts the Kaizen philosophy and generally leads to sub-optimal long-term program performance.

### Summary

Organizational improvement efforts need to focus on product/service delivery along with organizational assessment and design. Through a variety of qualitative and quantitative techniques organizations need to examine service/product delivery workflow, business processes, and organization structure to identify opportunities for improvement. Realize that improvements are neither easy nor free. What is needed is targeted cost-benefit analyses or broader business case analyses to determine potential return on investment and enable sound investment decision-making.