



White Paper on Productivity

Traditional vs. High Performance Organizations

In the continual struggle to identify competitive advantages for organizations to differentiate themselves many times some of the simplest ideas are missed. There seem to be two general business paradigms in today's organizational mindset.

The Traditional Business Model

The model that has dominated most modern businesses has been based on a set of principles and practices formally defined by Frederick Taylor in 1903 and known as "scientific management". The principles of scientific management were very useful a century ago when this country was moving from a rural society in which people were self employed, produced their own food, made their own clothes, and educated them to an urban society based on mass production and interdependence. With these changes in the structure of society and the way in which work was organized, it was necessary to create bureaucratic organizations to manage and control masses of untrained people. Taylor believed that work could best be accomplished by breaking it down into simple and repetitive tasks for workers and that management's job was to control the means and speed of production. Some major features of job design that came out of the industrial revolution are the following:

- Simple, narrowly defined jobs.
- Division of labor that keeps different functions separate.
- One best way to do a job.
- Uniform and strictly enforced policies.
- Management's role to control the means and speed of work.

Although this paradigm may have been useful in moving us to an industrial society, it does not fit with the complex and changing nature of the economy, market place, technologies and people today. It is seriously flawed in two primary ways.

First, traditional organizations are structured around functions, e.g. engineering, manufacturing, and sales, etc. in a manufacturing company or customer service,

accounting, billing, etc. in a service company. The problem this creates is that work is fragmented in such a way that people do not see or feel responsibility for a "whole process". They over identify with their own jobs and fail to understand or care about the overall good of the company or customers they serve.

This leads to poor communication, redundancies of effort, turf battles, delays in decision-making and general inefficiency. It is most noticeable when a piece of work is completed and "thrown over the wall" to another department to be forgotten or, when an urgent decision that directly impacts a customer is delayed for a couple of days because it needs someone else's signature. Or, when work is inspected after it has been built. The former Soviet Union was the paragon of inefficiency and bureaucracy. It took five years for the government to approve construction of the first McDonald's restaurant. And to change a single ingredient in ketchup took numerous levels of government approval.

A second flaw of the traditional paradigm is the assumption that it is management's job to control the work of employees. Management sets goals, makes decisions, measures progress, evaluates performance, etc. Managers are the thinkers and planners, and employees are the doers. These organizations fail to tap the tremendous intelligence and creativity of their people. Power exists at the top and people on the "front lines" and closest to the core process of the business have less authority to make decisions, solve problems or significantly contribute to the mission or goals of the organization. Most people do routine, repetitive and somewhat unchallenging jobs without much sense that they really make a difference in the overall direction or success of the business. This type structure results in organizations that are bureaucratic, rigid, unconcerned about quality, lacking innovation, unresponsive to customer needs and generally unsatisfying places of employment. Unfortunately, in spite of such limitations, the traditional paradigm continues to dominate the practices of most businesses throughout this country today.

The High Performance Model

There has emerged in recent years an exciting new model known as, high performance work systems that are changing the way we think about people and how work is organized. A high performance organization could be defined as an organization in which each person is a contributing partner to the business. High performance work environments require a deep respect and trust in people. People are not viewed as extensions of machines, objects to be manipulated nor costs to be controlled but rather as thinking and feeling human beings who bring enormous energy, creativity and talent to their work. Most people want jobs that are meaningful and allow them autonomy to make decisions and contribute to the company in significant ways. Effective organizations are those moving beyond attempting to control people to trusting and empowering them with the resources, information, tools, skills and support to manage their work processes and create products and services of unprecedented quality.

Of course, lots of companies espouse a philosophy that values people and yet are not experiencing the kinds of performance described at the start of this article. That is because they are not designed to do so. Only a holistic and systemic view of the organization in which all aspects of the organization are aligned behind that philosophy will realize the true value of their people.

In high performance organizations people understand the business, are committed to getting results and are organized into self-contained, multi-functional and customer-focused business units or teams that take full responsibility for making decisions, solving problems and continuously improving the quality of their work. Everyone involved with a particular core process are members of the same team and are empowered with full authority for the success of a whole product, service or major segment of work. Roles and responsibilities are much broader and more meaningful in scope than in a traditional organization. The team is responsible for setting goals, coordinating and scheduling their work, interfacing with the customer, training, making decisions and problem solving, monitoring quality, and even measuring performance and making hiring and selection decisions. The role of management changes from that of controlling workers and solving day-to-day problems to being facilitators and coaches. They define outcomes, manage boundaries, interface with other departments and, in general, insure that the team has the resources, training, information and support they need to carry out the job.

Perhaps this movement could be summarized by four basic principles:

- 1. People are the organizations greatest resource and need to be trusted and empowered.**
- 2. Work must be designed so that people are allowed to do "whole and meaningful" tasks that integrate all work aspects into a singular and total system.**
- 3. Cross-functional teams are the natural work units of high performance companies and are responsible for managing all of the tasks and processes to accomplish business goals.**
- 4. The role of management must change from controlling workers to providing resources and training as well as managing the environment so teams of workers can be most effective.**

At Changing the Focus we work to create a high performance model within the traditional organization to improve conventional returns on ROI and ROA. With our holistic approach to training and coaching we will change the way management and staff think, plan and deliver the organizations goals and expectations. We can deliver programs that are not only the genesis of change but continue to deliver programs that reinforce learning, assuring lessons learned become habits gained.

The four principals listed above encompass the entire focus of training and coaching with Changing the Focus, LLC. Our goal is to deliver workshops and coaching products that will enhance productivity, creativity for individuals and their organizations, and at the same time reducing turn over and absenteeism.

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