PROCESS IS ONLY HALF THE STORY

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Business Process Improvement (BPI) is used to improve the performance of organizations and thereby maximize business results. Its application has produced plenty of impressive success stories, but there have been plenty of disappointments, too.

There’s no question that organizational processes are critical to producing results. However, once we recognize that organizations are socio-technical systems, it becomes clear that it takes more than first-rate processes to consistently achieve first-rate results.

Processes – what people do – are the technical component of the work system. Equally important are an organization's cultural or social practices – the way people behave in the workplace. It’s surprising that BPI professionals often ignore this source of variance – perhaps because it seems amorphous and hard to measure. But the basic logic of dealing with cultural practice issues is virtually identical to that of dealing with process issues.

Business Alignment: Process

Business alignment starts with a mission and a set of desired results. The mission must be translated into a set of goals and objectives. Given those goals and objectives, we can develop appropriate processes that can be broken down into tasks that, when executed, produce the desired results. That alignment would look something like this, moving through levels from the overall organization down to specific jobs and tasks:

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Mission
↓
Goals/Objectives  ············ Organizational level
↓
Processes  ························· Operational level
↓
Job Tasks  ························· Job Level
↓
Results
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Figure 1. Alignment Across Levels

Business Process Improvement can use either of two basic approaches:

1. The **process quality** approach, which focuses on analyzing existing processes to reduce variance and eliminate error

2. The **process reengineering** approach, which focuses on results and works backward to design a new process to achieve those results (as shown below)
Figure 2. The Process Reengineering Approach Works Backward From Results

When we are looking at how to improve organizational results, or solve performance problems, a large part of the analysis and intervention occurs at the operational level – just as physicians focus much of their effort on the body’s functions and systems, rather than at the cellular level, or on the person as a whole. But both physician and process expert need to make sure their interventions are aligned with other levels.

Business Alignment: Culture

When we look more closely at performance at the operational level, it becomes clear that results depend not just on what we do (the processes people follow) but also on how we behave as we do things (the practices people demonstrate). Even with well-designed processes, the behavioral practices of groups and individuals can make the difference between merely adequate results and outstanding results. In the worst case, poor practices can destroy good processes.

Thus, what people do can sometimes be less important than how they do it, especially over the long term. Products, services, and technology – even unique, first-class ones – often give organizations a short-lived edge over their competition. Sustained success depends on how an organization’s people deliver those products and services.

When process improvement is first introduced as a performance intervention, many organizations spend a lot of time and money yet some achieve very little in the way of improved results. Follow-up studies find that, in almost every case, the reason was a failure to recognize that the changed process required a re-alignment of people and their practices for the new process to be fully effective. Despite this, it is only in relatively recent years that managers and performance improvement consultants have given serious attention to aligning practices. There appear to be at least two reasons for this:

Practices are often company-wide. In performing their jobs, most people in the organization exhibit behavior patterns that make up the “company practices.” There are prevailing norms, expectations, and rewards that support these practices, and people whose behavior does not fit those norms and expectations may find themselves feeling quite uncomfortable. This makes it difficult for people to change their practices unless the behavior of others around them changes at the same time and/or the environment changes in a way that clearly supports new behavior.

Their relationship to results may not be obvious. People usually know how their task performance affects the results of their work. A good deal of effort often goes into carefully designing and documenting processes and tasks. Practices typically develop over time without the same kind of planning that went into developing processes, and may become virtually unnoticed habits. People may not see how the practices that define their approach to the work or their treatment of their co-workers affect results.

For example, in some organizations a high degree of competitiveness develops that begins to affect the way people view people from other departments, as well as the way they view external competitors. The resulting interdepartmental working relationships are far less effective than those guided by practices that foster cooperation. But that connection is not always visible to people in the organization who are simply behaving “the same way everyone else does.”
Thus, if someone is asked to change task-related behaviors – e.g., organize information in a business case differently, or assemble equipment in a new sequence – the change will not usually fly in the face of prevailing norms. If someone is asked to work differently with others – e.g., consult widely in preparing a business case, or share equipment assembly tasks – it may violate expectations about how things have “always been done.”

Business culture practices can be viewed in an alignment framework analogous to that for processes:

![Diagram of Levels and Practices]

**Business Culture and Leadership Practices**

Creating and maintaining a balanced and aligned organization requires decisions about both organizational direction and intent – what the organization is in business to do, and what is important about the way it conducts its business. This is the responsibility of the organization’s managers. Thus, the leadership practices of an organization constitute another critical factor that must be considered in efforts to improve performance. Many believe that leadership practices may be the most critical influence on performance, because they have the broadest impact on mobilizing the organization to achieve results. Yet there is little attempt by many organizations to ensure that these practices are aligned with results. Leadership development programs are often based on popular models of leadership theorists rather than on what it takes to get results for a given organization.

Putting the two alignment frameworks together allows us to create a balanced model for organizational alignment: one that will achieve desired organizational results, as in Figure 4.
Determining Desired Strategic Processes and Cultural Practices

As noted earlier, if we want to create a process using a reengineering approach we would first examine our strategy and mission to determine what results we wanted. Then working back from results we would design a new set of processes that would best produce those results. Processes would be linked to form the operations of the organization.

A similar methodology would be used to determine the desired cultural and leadership practices. We first examine and get agreement on desired results. Then working back from results we would define a set of practices that would support producing the results. These practices could then be grouped together under value labels to facilitate communication and understanding.

Let’s See How That Would Work

Suppose we defined a desired result as “strong customer loyalty.” Then we would gather data from company employees and customers on how we should behave to deliver this result. This could be done in many ways – surveys, card sorts, interviews, focus groups, observations, etc. This research effort might produce some practices like the following:

- Make sure that information you provide is accurate and complete, or that people are made aware of potential problems with the information.
- Make only those commitments you honestly expect to be able to meet; alert people as soon as possible if problems arise in meeting a commitment.
- Make sure your advice is based on evidence and is not biased by your personal agenda.
These practices could be grouped under a value of “trust” and then be positioned as an operational value of the organization.

This method is often referred to as a “criterion referenced” approach since it begins with a specific criterion – that is, the desired business result – and uses that as a reference point to determine what actions we should take.

**The Power of Cultural Alignment**

Effective operational values and practices are not just nice to have; they are absolutely critical if we are to deliver the desired results. Clarifying the link between practices and business results provides a strong motivation for change. The one thing we know from research on culture change is that it is most likely to occur when people in the culture see clear benefits to making that change – the most powerful benefit being the ability to thrive as a business and a community.

Since practices derived from a criterion-referenced analysis are directly linked to the results of the business, they can be presented as those things we must demonstrate as a company in order to survive and thrive. Because they are based on data from a cross-section of employees (and often of customers as well), people typically find them more relevant and easier to buy into than practices generated by managers at some retreat. Because they are derived from an analysis of what is needed to deliver business results, a clear “audit trail” exists from results to practices to values.

An important issue in culture change is the ability to measure it. When culture is defined in terms of the observable practices that are key to organizational results, it becomes possible to measure the extent to which people are currently demonstrating those practices. Thus we can objectively assess the extent to which culture is aligned with the strategy and determine the extent to which there is a “cultural gap.” This is a powerful tool for culture change; it demonstrates that efforts at culture change and practice alignment are driven by the needs of the business – not by apparently arbitrary preferences of management or the latest popular book.

There are many cultural assessment instruments available in the marketplace, but they are typically “norm referenced,” rather than “criterion referenced.” A criterion referenced assessment is derived from an analysis of the business requirements, consistent with the company’s own strategy. A norm referenced assessment is derived from a statistical analysis of some cultural dimensional theory across a wide variety of organizations that may have widely different strategies and needs. The cultural dimensions derived from norm referenced instruments are seldom congruent with the operational values of a particular organization, making it hard for people to see a link with what is important in their work.

If one is concerned with creating an aligned organization, it is best not to use any cultural dimension assessment instruments. Such dimension based culture change efforts usually fail because they are not focused on what everyone knows is the most important business driver – “the bottom line.”

**Determining Leadership Practices**

A similar process can be used to obtain leadership practices. Again using results as our criteria, we can survey employees asking the question, “What do you need from your boss as a leader for you to deliver those results?” Just as with cultural practices, these can be grouped into leadership principles or values. Feedback can then be given to managers about the extent to which they demonstrate practices that will mobilize their people to achieve desired results.

**Conclusion**

Understanding that every organization is a Human Performance System is critical to the success of virtually any attempt to improve or maintain performance results. An effective human performance system requires that people perform tasks competently and also demonstrate behavioral practices that support the achievement of results. It is as important for managers and consultants to grasp this reality as it is for...
a physician to recognize that the human body is a biological system. Too many apparently well-designed solutions fail or are short-lived because they are not aligned with the rest of the organizational system and/or fail to address the “people” side of the organization.

We need a two sided organizational alignment model that incorporates both technical and social aspects to address most organizational issues adequately. Using the Organizational Alignment Model, we can take a full systems view that allows us to see the interdependencies across levels of the organization, and the requirements for alignment between practices and processes.

This model has the potential to serve as a tool to provide BPI consultants with a foundation for all forms of organizational improvement. There are already a wide variety of tools and applications in use that are based on the alignment model. These have been successful in making significant and robust improvements in organizational productivity and results. We have only just begun to view the organization as an integrated human performance system. The future is unlimited.

References


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