

Process Innovations

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In the course of 24 hours last week, I heard two sweeping statements that sum up—albeit with entirely different perspectives—the relationship between process and culture in organizations. In a casual conversation, over a drink, with a bank IT executive, he commented, “Culture eats process for breakfast.” Hmm, hadn’t heard that one, I thought, but there’s something to his comment. I have seen a number of organizations in which certain individuals wanted to embark upon process management and improvement, but didn’t get anywhere because their organizational cultures didn’t support it.

The next morning, in a chat with the head of a large consulting company, I heard the opposite sentiment. “It’s easier to act your way into a new way of thinking than to think your way into a new way of acting.” This of course implies that performing a new process is the best way to develop a new culture. I nodded my head at this sage remark too.

So which is right? Which eats the other for breakfast? Does process lead culture, or culture lead process? I often find myself agreeing with the last person I’ve talked to, but this is an important enough question to demand a real answer.

Of course, the ideal situation is when the two coincide. Lucky organizations don’t have to choose between culture and process; both are moving in the same direction. New ways of thinking and new ways of acting reinforce each other. When the culture supports a process orientation it makes it hugely easier to address and improve key processes. When process efforts are underway and successful, it makes it much easier to support a culture of process orientation and improvement. Of course, many organizations don’t live in this happy land. If you don’t have either, which should be cultivated first?

If I had to make a choice, I’d go with the banker and choose culture. The world can be divided into two categories with regard to process management cultures. If your organization is in the wrong one, you’re not going to get very far with process management. There are those who believe that improving processes is best done through process management—analysis and improvement initiatives—and those who believe that the answer is simply working harder. Each perspective is a deeply-held set of philosophies about people and how they work, and they aren’t easily changed.

The process management school (to which, presumably, most readers of this column subscribe) holds that people work hard by nature, and that the answer to improvement is working smarter rather than working harder. So this school advises stepping back from day-to-day work and doing the kinds of things that process management interventions involve: modeling the workflow, searching for root causes of problems, eliminating non-value-added activity, putting in new technologies, and so forth. This sort of intervention requires investment—giving workers some time away from doing the job in order to think about it, for one thing. The willingness to invest in improvement is a key attribute of a process improvement culture.

The fundamental desire to improve may seem a given to *BP Trends* fans, but there is another group of people in the world. They think the way to better



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performance is through harder work by those who do it. Taking time off from work to improve it is, to them, a waste of time. Their idea of process improvement is to lay off people and get the same amount of work done. These types of managers assume that most people are slackers, and that they've got to be constantly prodded to work harder.

As MIT researchers Nelson Repenning and John Sterman have noted in a thoughtful article a few years ago¹, each of these approaches has longer-term ramifications from a "system dynamics" perspective. Investing in process improvement yields a positive dynamic, in which "An organization that successfully improves its process capability will experience rising performance. As the performance gap falls, workers have even more time to devote to improvement, creating a virtuous cycle of improved capability and increasing attention to improvement." But the "work harder" philosophy has its own cycle—a downwardly spiraling one. "Conversely, if managers respond to a throughput gap by increasing work pressure, employees increase the amount of time spent working and cut the time spent on improvement. Capability begins to decay. As capability erodes, the performance gap grows still more, forcing a further shift toward working harder and away from improvement."

The late W. Edwards Deming understood this cultural issue. In addition to focusing on statistical process control, he devoted a substantial amount of attention to reversing the "work harder" culture. Several of his "14 points" (for example, "Eliminate slogans") involve the assumption that it's not people who make most mistakes, but rather the process they are working within. Harassing the workforce without improving the processes they use doesn't yield better performance.

So I hope that debate is settled. Culture—at least this aspect of it—does eat process for breakfast. Actions are important, but they won't happen without a culture focused on process improvement. Many of us may take such a culture for granted, but rest assured that there are plenty of Neanderthal executives who think that cracking the whip is the answer to their performance problems.

¹ Nelson P. Repenning and John D. Sterman, "Nobody Ever Gets Credit for Fixing Problems that Never Happened: Creating and Sustaining Process Improvement," *California Management Review*, Summer 2001, 64-88.