

Organizational Readiness Assessment: *The Critical Four Tool*©

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Every sane organization wants to improve. However, before any improvement process begins the question that must be asked and answered is – what change are you ready for?

Every business at some point asks if there is a better, more efficient, more profitable way to do work. Once this question is asked, all sorts of odd things happen. Leadership egos run wild. There is enormous pressure to be better than the current best. If a plant is seen as better, then "we" must beat them. A competitor went self-directed? Then "we" will too. "They" did it in 36 months; "we" will do it in 12. Plant A has no front-line supervisors? Then every other plant is going to be supervisorless – right now. Woe be to the people at the tip of the spear charged with implementing the change.

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Finally, someone will ask: "how do we do this?" What usually follows is the formation of an Organizational Design team. This team is tasked with putting together an action plan, which typically includes items like benchmarking internal and external companies, defining the compelling reason for change, communication strategies, and timelines. Eventually a new work design is created, and the troops are asked to charge ahead.

Hope is not a strategy

All well and good—except that doing all of the standard, necessary, normal action plan things is not what's needed for success. What is required is an absolutely crystal-clear picture of what is realistically possible, feasible, attainable, and sustainable.

Organizations try to learn from their mistakes, but in this arena, it never seems to happen. Work designs are too frequently based on fantasy rather than reality—on what is hoped for rather than what is feasible. When the goal is to beat all current and future competitors in the next several quarters, and the starting point is 3rd or 4th quartile, then there is a clear problem. Hope is not a strategy, but that is exactly what this gap represents.

Apply the *Critical Four Tool*© up front with intellectual honesty and the result is a clear picture of what you can realistically shoot for. It is accurate and relatively simple. It is not a mathematically fine-tuned precision instrument. It is a range finding tool that gives a broad stroke picture of what you are ready to do.

The Critical Four Tool examines four elements of change:

- 1) **Leadership Capability:** Looks first at the Change Leader. Facility leadership, department leadership, corporate leadership and front-line leadership are also a part of the mix.



- 2) **Workforce Effectiveness:** Focus is on hourly employees, e.g. operators, technicians, and maintenance; those who run and maintain the process.
- 3) **Corporate Courage:** Examines staff support functions that are critical to the success of any change initiative: e.g. Legal, Labor Relations, Human Resources, or EEOC/Affirmative Action.
- 4) **Asset Reliability:** Examines the impact of process and equipment variability.

Current state observations

Leadership Capabilities—Most organizations believe they have leaders that are transformational. Most high-level leaders believe they are transformational. Both beliefs are false. In reality, an organization should count its blessings if its leaders are capable and competent. Moreover, change is regularly sanctioned and led by "command-and-control" practitioners. Often, the "big change" is intended to move away from the exact behaviors that the designated change leader already models.

Assessment is anchored by the following behavioral statements:

1. Transformational
2. Enlightened Command and Control
3. Capable and Competent or Technically Capable but Psychologically Gapped
4. Punitive Command and Control
5. Closed Minded/Always Right

Workforce Effectiveness—Operators' work lives are often 80 percent boredom and 20 percent insane moments during upset conditions. Operators believe they are seen as overpaid caretakers when things are running well and the scapegoat when things break down. They have been through so many change initiatives that few believe the next one is real, in their best interests, or will succeed. Those willing to engage are often very junior and risk being seen as "in bed with management" if they agree to be a part of the redesign process.

The stark reality is that most organizations have a small percentage of self-directed employees and a much higher percentage of entitlement-driven employees. Assessment is anchored by the following behavioral statements:

1. Self-Directed
2. Supervisor-Directed
3. Present
4. Entitlement Driven/Selfishly Directed
5. Disconnected

Corporate Courage—Finding deep field experience in these groups is difficult. Generally, staff support functions are not familiar with the profound insanity of a manufacturing operation, especially continuous 24/7 operations. Their tolerance for conflict and chaos is low—but there is no change without massive chaos and conflict.

Support staff incentives are often not aligned with work redesign goals. Their goal is to minimize risk, while work redesign is inherently high-risk. Change is so chaotic, difficult, and messy that only those with the courage to stay the course need be along for the ride. Assessment is anchored by the following behavioral statements:

1. Principled
2. Supportive
3. Benign neglect
4. Noise equals guilt
5. Presumed guilty

Asset Reliability—Reliable equipment makes for good employees, while unreliable equipment makes good employees bad and average employees worse. High states of reliability make operator ownership possible; low states of reliability lead to operators who do not and will not care for their equipment, quality, safety, or work. In an unreliable world expecting anything other than crises is folly.

The run-to-failure mindset generates bad behaviors in both hourly and salaried employees. Worst of all, this mindset is truly a vicious circle. Hourly and salaried operations and maintenance employees are often incentivized and recognized for their ability to fix what is broken, not to find ways to ensure that it never breaks down. If the process is stable, you can win. If the process is unstable, be very, very careful.

Assessment is anchored by the following behavioral statements:

1. Stable and capable
2. Preventive mindset
3. Work-arounds rule
4. Patch and go
5. Fire-fighting

The perfect alignment

What happens if you have a transformational leader, partnered with self-directed employees, assisted by courageous and principled corporate support groups, in a reliable operation?

In this scenario anything is possible and quite likely to be successful. This is a benchmark facility that has repeatedly demonstrated how it's done, from simple to complex initiatives, from department reorganizations to whole mill transformations. This team can strike preemptively to stay ahead of the competition. Anything can be asked of this organization and this organization delivers almost all the time. Moreover, if a single initiative does not work as planned this facility understands and learns from mistakes and failures. Most organizations say this, but the reality is that most cannot do this.

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What happens if you have a capable and competent leader, partnered with entitlement-driven employees, assisted by corporate groups that are afraid of too much noise in a facility that is trapped in a fire-fighting state of non-reliability?

In this scenario, jumping into the deep end of the transformational pool will almost certainly lead to drowning. If a facility's equipment is run-to-failure, replete with work-arounds as the norm, then employees are in survival mode. Operators will have maladapted to this state. They believe that duct tape and patches instead of root cause identification and problem resolution are the way things are. The goal for operators is "butt time" more than "up time."

If you are part of ten transformation projects in your career, you will probably bump into this (or worse) nine times!

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Building a picture of what is realistically possible is hugely important. Many initiatives fail because the work design runs screaming away from reality.

The assessment power of the Critical Four Tool mitigates this problem. Having a superior work design is worse than useless if it is hopelessly unrealistic. As Ludwig von Mises discusses in his work, *Human Action: A Treatise on Economics*, people and organizations must believe they are capable of change, to change. If you do not believe you can get there alive you will never choose to start the journey.



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A results-oriented organizational effectiveness practitioner, with over 35 years of hands on experience in designing and implementing sustainable work system/cultural change initiatives. Intellectually knowledgeable enough to know what might work. Experienced enough to know what will work. Have coached and mentored leadership, from Front Line Supervisors to Superintendents to VPs. Have a real knack for quickly establishing, strong trust-based relationships.

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