Redesigning for Fast Impact

BY GEORGE GATES AND CAROLYN MCKINNON

*Most companies recognize that to stay competitive they must change
the way they do business. This innovative method for organizational restructuring
is faster than most traditional approaches.*

The informal round-table discussion was spirited but friendly. Two senior executives were exchanging views on the need for organizations to change in the current pressure-cooked business environment.

One of the executives said, "Nowadays, if you don't consider changing the way your company operates, it shows a lack of nerve." This executive strongly favored fundamentally changing—from top to bottom—the way the company did business.

The other executive said, "But if it isn't done right, it can be like trying to change all four tires on a car while it's careening down a mountain road at 60 miles per hour." This executive recognized the need for change but was concerned about the pace and methodology. "We need to do it in a way that people can understand, support, and handle."

The main issue for organizations isn't whether to redesign, but how to go about it. Getting a few employees to fix occasional problems won't suffice. Redesign means analyzing, rethinking, and fundamentally changing an organization's core work processes, structures, and prac-

tices to achieve significant and sustainable improvement in employees' work performance and environment.

How can an organization initiate, implement, and sustain far-reaching change and survive? How can it change the tires and keep the car on the road?

Necessary preconditions

A traditional method for implementing change is sociotechnical redesign. But a nontraditional approach—fast-impact work-process redesign—takes less time. That is a crucial advantage, because timeliness is so important in the current competitive market. Both methods promise significant improvement. Neither is a quick fix.

Both approaches require four preconditions: clarity, champions, readiness, and vision.

Clarity. The organization must be clear about the reasons for the redesign. The expected gains must outweigh the projected costs in both financial and human terms. Before beginning a redesign effort, the organization should conduct a tough evaluation to rule out less arduous ways to reach its desired goals.

Champions. People who have some

power in the organizational hierarchy need to persuade others to accept the costs and stress that go with radically disrupting current structures and practices. These champions must be tough enough to plow through people's resistance and skillful enough to lead them toward a vision. The champions must have the clout to marshall the resources and support of others across functional barriers and around political land mines.

Readiness. The organization should not proceed in the redesign until it is prepared to support untraditional practices. Managers should be ready to relinquish their roles as controllers and directors. And employees must be willing to accept changes in their job requirements and responsibilities.

Vision. The organization's leaders must articulate a vision that encourages people to move beyond such past constraints as concern for the status quo, hierarchical control, centralized authority, segmentation of activities, and ignorance of the larger business environment. People must be able to envision a compelling picture of alternatives before they'll try to move toward it.

One way leaders can demonstrate support for the vision is to commit to

some operating principles that are consistent with the redesign values. The leaders should be working to help everyone in the organization understand and use the principles.

The box shows some of the operating principles developed by managers and union leaders in a paper-manufacturing plant.

Once the preconditions for the redesign are met, the organization's leaders should decide how to proceed.

The pros of STS

No approach to workplace redesign is guaranteed to work. But sociotechnical systems redesign represents 50 years of theory and experience. Dating back to the coal mines of England in 1949, STS redesign has been applied extensively in the United States since the 1970s.

STS redesign can help people improve their jobs and work environment. It balances the needs of people in the workplace with the requirements of the machinery, technology, and work processes—instead of subordinating either the people or the technical aspects. STS redesign also aims to meet the expectations of customers and other stakeholders in the external environment.

STS redesign involves rigorous procedures for examining the organization's external environment, core work processes, and social systems. STS redesign focuses on changing the way work is designed, in order to eliminate key variances or deviations that can reduce the timeliness, quality, or cost of products and services. The redesign phrase, "getting the whole system into the room," means thinking beyond current organizational boundaries.

The tangible business outcomes from successful STS redesign projects include

▶ an increase in customer satisfaction with the timeliness, quality, and cost of products and services
▶ a work environment in which people continuously seek improvements in quality and productivity
▶ an increase in employees' commitment and job satisfaction
▶ an organization that is more adaptable to changes in the business environment.

Operating Principles

Here are some operating principles established by a paper-manufacturing plant in its redesign effort. You can adapt them to your own organization's redesign.

The plant lists the following principles that employees are committed to:
▶ open and respectful communication
▶ participative and facilitative leadership
▶ working together to pursue common goals that are mutually beneficial to employees, the union, and the business
▶ the continuous improvement of performance to ensure long-term security for the business and workforce
▶ increasing employee knowledge and commitment to satisfy internal and external customers.

Organizations that have completed successful STS redesign projects are flatter and are populated by multiskilled, self-managing teams. Managers support and coordinate rather than direct and control. There is direct contact between employees and customers. Communication cuts across all levels and functions. And accountability and power reside where the actual work is done.

The overall emphasis in STS-redesigned work environments is on continuous improvement supported by ongoing training in technical, business, and employee skills.

The cons of STS

On the downside, STS redesign projects often experience several problems that undercut their effectiveness.

Time. Traditional STS redesign requires a full-time design team to spend 12 to 18 months to complete a project and more time to implement the changes. As one manufacturer said, "By the time the design team had finished several months of analysis, our marketplace had completely changed at least twice."

Organizations need to lower costs and improve customer satisfaction faster than ever. Few companies can afford the lead time required for tra-

ditional STS redesign.

Lack of support. Frequently, steering committees and design teams are baffled and angry when others reject the end products of their STS redesign efforts.

Many employees complain that design teams ask about workers' problems and then come around several months later to tell them their jobs have changed, without having involved them in the decision-making process. Other employees complain that the design team expects them to work in new ways they don't understand.

To get employees' buy-in on redesign projects, it's critical to involve them in the analysis and problem-solving phases. Unfortunately, it can be cumbersome, if not impossible, to sustain a high level of involvement and support throughout a lengthy redesign process.

Losing touch. In STS redesign projects, design teams often lose touch with the constituents they're supposed to represent. In evaluations, design-team members often report that the more they learned, the harder it got for them to communicate with people outside the team. Despite communicating with others by fax, e-mail, and hot lines, design teams often hear that they're out of touch.

The challenge is to involve stakeholders directly without taking up too much of their time. Ironically, a redesign process that aims to move an organization from being control-driven to commitment-driven has to be control-driven in some ways. The danger is that the redesigned workplace will be supported only by the design team.

Trained incapacity. Even when people understand and agree with the redesign, their experience in the traditional organization may have imbued them with a "trained incapacity" to implement new systems, as described in the paper "Developing Citizenship for the Active Organization," presented at the 1991 Ecology of Work Conference in Pittsburgh, Pennsylvania, by William Pasmore, Gary Frank, and Bob Rehm. The result is a mismatch between design and capability.

Even when supervisors and teams are willing to make the redesigned

organization work, they may not have the necessary skills. In such cases, it takes years of follow-up efforts to implement a redesign.

Fast-impact work-process redesign

Similar to traditional STS redesign, fast-impact redesign focuses attention on an organization's core work processes. It engages people in a structured process to help them rethink the business from scratch. It involves discarding old assumptions, structures, attitudes, and work systems that may have succeeded in the past but are now outdated.

The main difference between STS and fast-impact redesign is that fast-impact redesign is quicker. It involves stakeholders early in the process to avoid time delays due to people's resistance to implementing changes on which they've had no input.

The goal of fast-impact redesign is to produce dramatic improvements in the bottom line and employees' work environment. It goes further than continuous improvement, total-quality management, and employee involvement.

Fast-impact redesign uses "search conferences" that enable the people affected by the redesign to be participants in the process. Customers and employees from all levels and functions participate in carefully prepared conferences or meetings to help develop the new organization. Such widespread participation helps build commitment and the necessary capability to achieve desired outcomes.

Fast-impact redesign is simplest when the project focuses on the operations of a single business unit. To start with, it's best to choose units that stand to make the largest gains, that are most important to customers, and that have the highest probability of success.

The redesign project should focus on the business unit's core work process—a combination of essential tools, methods, procedures, and information. Project members should ask, "Does this particular work process of the unit take one or more inputs and create outputs that are valuable to an internal or external customer?" The answer tells whether the work process is whole and, therefore, whether it is

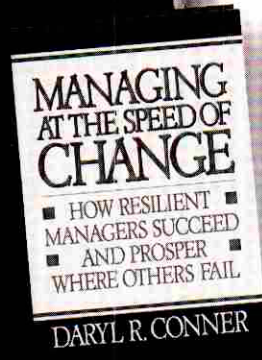an appropriate target for redesign.

Sometimes a work process is divided into seemingly illogical pieces separated by geography or departments. A unit's work processes can be interdependent with other functional units in ways that are different from customer/supplier relationships. When a core work process cuts across several business units, people from outside the targeted unit should also participate in the fast-impact redesign effort.

More pros than cons

Fast-impact work-process redesign maximizes the involvement of all employees affected by the redesign. The first step is forming a steering committee and design team that will support and coordinate certain aspects of the redesign. The rest of the process will be carried out by the employees affected by the redesign.

Getting all stakeholders involved helps build support for implementing the redesign. By contrast, in traditional STS redesign and in reengineering, the entire effort is owned by the steering committee, design team, or reengineering experts—even when they communicate regularly with others in the organization. In such cases, others are only tangentially involved, even when they're asked for input during the analysis phase. Consequently, they often feel as if they're asked to buy into and commit to new ways of working that they don't understand.

Many employees in traditional organizations aren't prepared to assume new roles and responsibilities. The organization may have a workable redesign that employees won't or can't implement. Fast-impact redesign involves all stakeholders early on so they can practice new behaviors, learn to work together well, and gradually understand their changing roles and responsibilities.

Many redesign plans call for the creation of self-managing teams. It's important to get employees and their supervisors to determine for themselves how to work differently so they can learn the skills, attitudes, and values required for self-management, as well as the overall business. They should work together to iden-

tify team boundaries and roles. And they should plan the transition in manageable bites to avoid frustration, disillusionment, and poor performance.

Sum of the parts

In fast-impact redesign, the steering committee should include senior-level managers and union officials or employee representatives who are accountable for the outcomes of the core work process to be redesigned. The steering committee's role is to determine the boundaries of the work process so that it can identify the employees who will be affected by the redesign and ask them to participate.

The steering committee communicates the rationale and goals of the redesign, provides overall direction, and disseminates relevant information. As the project progresses, the committee garners the necessary resources and support, encourages innovation and creativity, and solicits the participation of key internal or external customers and other stakeholders.

The design team should be selected by the employees involved in the redesign. Its role is to assist other project members with such tasks as creating a redesign proposal and coordinating and summarizing group work.

Once the steering committee and design team are in place, fast-impact redesign can proceed with carefully structured and facilitated meetings that have specific purposes: identifying customer requirements, establishing desired outcomes, conducting a work-system analysis, and creating a redesign plan.

Customer requirements. Meetings regarding customer requirements should examine the relationships between the business unit and its external stakeholders, as well as stakeholders' expectations. External stakeholders include internal and external customers, managers, union officials, suppliers, and industry regulators.

The unit's design team should interview the stakeholders to ask their opinions on the unit's performance—what it is doing right, what it is doing wrong, and what it needs to change. The team also should ask stakeholders for help in improving the unit. All unit members should strive to develop effective working

relationships with the stakeholders and exchange ongoing feedback.

Unit members should compare the stakeholders' expectations and then brainstorm ways to meet them. At this stage, the unit should create a mission statement, identifying some redesign guidelines based on the stakeholders' feedback.

Desired outcomes. A redesign effort should enable an organization to respond to its changing environment. Project members should identify the critical forces and trends that do and could affect the success of the targeted business unit. They also should identify the unit's current and projected responses to those forces and trends. And they should examine significant milestones in the organization's recent past. Then they should agree on a shared vision.

Work-system analysis. The work-system analysis identifies the breakdowns, delays, and malfunctions that hinder the effective operation of the targeted work process. The analysis also examines ways to reduce or eliminate the hindrances.

First, project members should create a diagram of the total current work process, problems that occur at each step, and critical issues that negatively affect the unit's key measures of success.

Then they should analyze the diagram and issues to measure their influence on the unit's ability to meet customer requirements—paying special attention to process breakdowns, problem causes and current solutions, and the employees and jobs involved.

Last, they should suggest technical- and employee-related ways to streamline the work process.

The work-system analysis also examines aspects of the work environment that can affect employees' work lives and day-to-day performance—such issues as teamwork, conflict, communication, decision making, interpersonal relationships, and managerial practices. To provide information, unit members can complete a work-environment survey. Then, project members should generate redesign ideas to improve the unit's work environment.

The redesign plan. This is the phase in which project members integrate all of

the ideas generated in previous meetings for the purpose of refining the key elements of the unit's redesign. The design team incorporates those elements into a final organizational redesign to be reviewed by the unit members in a subsequent meeting.

The redesign plan should include critical competencies; changes to the core work process; definitions of work-team boundaries, roles, and responsibilities; new ways to make decisions and manage information systems; and restructured relationships with other units, customers, and support systems. The plan should lay out the steps needed to make the redesign a reality.

Unit members should brainstorm to come up with a list of necessary tasks for operating, coordinating, maintaining, and continuously improving the work process and environment. The critical questions:
▶ What must be included to improve the unit's performance and address stakeholders' needs?
▶ What must be included to make the unit as self-sufficient and self-managing as possible?

The answers will provide detailed descriptions of the necessary tasks and responsibilities for operating and improving the unit's redesign.

The plan should include ways to overcome barriers to implementing the redesign, suggestions for training and skill development, and a method to track progress toward improvement.

Involving stakeholders early is the key to ensuring the successful implementation of a restructuring effort. By getting people on board from the launch, fast-impact redesign ensures smooth sailing for both employees and the organization. ∎

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