

Operational Excellence - Transforming Employee Behavior

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I'm talking with many clients who have embarked on massive transformation undertakings to a new 'target state' ecosystem. With often overdue, heavy investments in technology at the core, transformation engagements have well-defined metrics and roadmaps that can extend over a year or longer in duration. But without an underlying culture of Operational Excellence, I ask how long will it take for employee behaviors and actions to change, fully embracing the new work flows and technology? Project plans often focus on immediate employee readiness for change but lack forward metrics to measure sustainability and align accountability. Successful companies have figured out the secret sauce; focus on two factors of transformation: continuous improvement and iterative goal alignment to achieve process adherence.

WHAT IS OPERATIONAL EXCELLENCE'S VALUE PROPOSITION?

Operational Excellence is a way of thinking, acting, and believing that constantly focuses everyone in an organization to hold each other accountable for delivering excellence, whatever it means that day, that month, and that year. It is creating a mindset and a culture of excellence, whereby delivering excellence isn't a new project but rather BAU (Business as Usual). It is how companies adapt and adhere to change introduced both externally and internally. Operational Excellence delivers the highest value at a lower cost, in a consistent fashion to customers, employees, and shareholders, with sustainability. >

DOES OPERATIONAL EXCELLENCE EXIST IN MY ORGANIZATION?

All high performing companies methodically and meticulously define their core processes, align their goals, metrics, and rewards, and adjust their cadence continually as change is introduced. Simply illustrated, a culture of Operational Excellence has the following common denominators:

1. There is clear definition and alignment between employees' success measures, the company's core processes and their customers' experience.
2. The workplace promotes and rewards problem-solving, teamwork and communications, and leadership, then navigates towards its priorities.
3. Results are measured and publicized, and failed attempts are analyzed but applauded as lessons learned. Both drive continuous improvement in an organization.

Operational Excellence is largely a mindset held by you and your employees. Now, you're probably thinking, "that sounds nice in theory, but how do I translate this into actionable steps?"

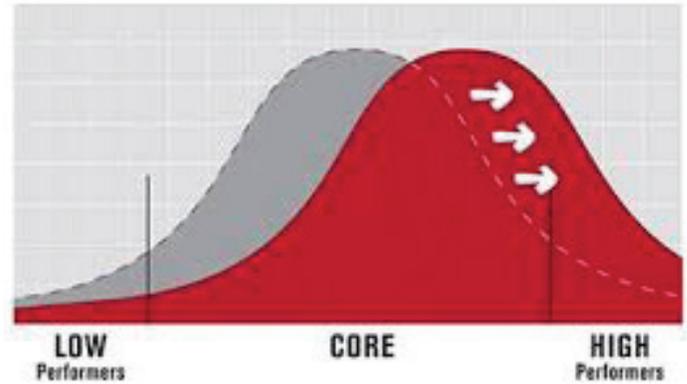
BEGIN WITH PEOPLE!

Unlike strategies to transform a company's customer experience, market growth, or internal efficiencies, building or deepening a culture of Operational Excellence is all about timing, commitment, and investment. The latter can begin immediately with C-Suite sponsorship, cost nearly nothing and show immediate rewards starting today!

The first step to Operational Excellence adoption is to take inventory of your internal Performance Management cadence.

Performance Management begins with an aligned set of objectives against which each employee can be measured. It also emphasizes learning and development for a higher level of workplace performance. Statistically, a symmetric bell curve exists whereby high performers represent a small percent of the population with a corresponding percent representing low performers. Performance Management in an Operational Excellence culture shifts the focus away from traditional once a year, comprehensive

review activity to an ongoing form of employee engagement and accountability. It is the latter continuous improvement focus which will move your Bell Curve to the right.



MOVING YOUR BELL CURVE TO THE RIGHT

What is your bell curve today and is it right justified, or ready to adapt to change? The next step to implementing an Operational Excellence foundation is to understand the linkage between performance management excellence and operational excellence. Often line managers are so caught up in managing the process, product, or project, they don't show enough involvement in managing the people and their influence to achieving results or not. Diagnosing and managing low performance and rewarding or leveraging high performance will move your bell curve to the right.

Take a few moments to answer these self-assessment questions reflecting on your organization:

DO I HAVE A DEFINITION GAP?

- The first and foremost responsibility of management is the identification and communication of performance expectations.
- A Definition GAP occurs when, for whatever reason, expectations for performance behavior, attitudes, or results are not clear, such as never stated, stated but not heard, stated but not understood, or stated in terms that were inconsistent with real management actions.
- Management owns the responsibility to

clearly define the job and expectations for performance, aligning to what is and not acceptable behavior.

DO I HAVE A RESOURCE GAP?

- This is another management owned issue. The organization and the manager need to provide adequate tools or “means” for the employee to accomplish the job.
- Although the goals are clear and understood, resource constraints may limit the employee’s ability to achieve the goals.
- Lack of training, experience, authority, supplies, systems, time, or support can all be root causes of a Resource GAP.

DO I HAVE A MEASUREMENT GAP?

- Central to providing feedback is a sound performance measurement system.
- When the goals are clear and understood, and resources are made available, performance will lag when there is a lack of measurement or feedback on these measures is not provided.
- In ever evolving virtual work place environments, measurement methods and approaches have become increasingly important as managers are not always able to physically observe employees. Accordingly, managers must rely on data for assessing productivity. These data on quality and effectiveness of virtual employees must be in place, easily understood and accurate.

DO I HAVE AN ACCOUNTABILITY GAP?

- Management must be viewed as making good on its word.
- Consequences, those actions, rewards or responses that happen immediately after a behavior, establish accountability for performance expectations.
- Positive or negative, use of consequences will differentiate the negotiable goals from those that are non-negotiable.

Our final step focuses the entire organization on the business objectives that matter most, translating

big picture to line of site behaviors and actions of which employees can relate. This step requires passion and commitment from the top, visible and approachable leadership. Visible transformation leadership requires a robust communications and engagement model that feeds a firm’s performance management cadence, the definition, resources, measurements, and accountabilities instilled for Operational Excellence company-wide.

“Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. Excellence, then, is not an act but a habit.” –Aristotle

CONTINUOUS IMPROVEMENT AND ALIGNMENT MUST TAKE PRIORITY

Deepening Operational Excellence in your organization, team, or project doesn't need to rob you of time that is demanded by competing priorities. For 2019, perhaps a goal to establish and meet with fellow managers quarterly to reflect on your human capital, chart progress on moving your team’s bell curve to the right, and speaking with employees about what they like and don’t like in their jobs will quickly reinforce your commitment to continuous improvement and weed out non-value add policies and procedures. Leveraging customer and employee focus groups, surveys, and town halls are excellent vehicles to validate alignment of core processes with employee goals. One thing is for certain, the investment in transforming internal systems or processes will not produce expected returns unless Operational Excellence systematically transforms employee behaviors. 

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