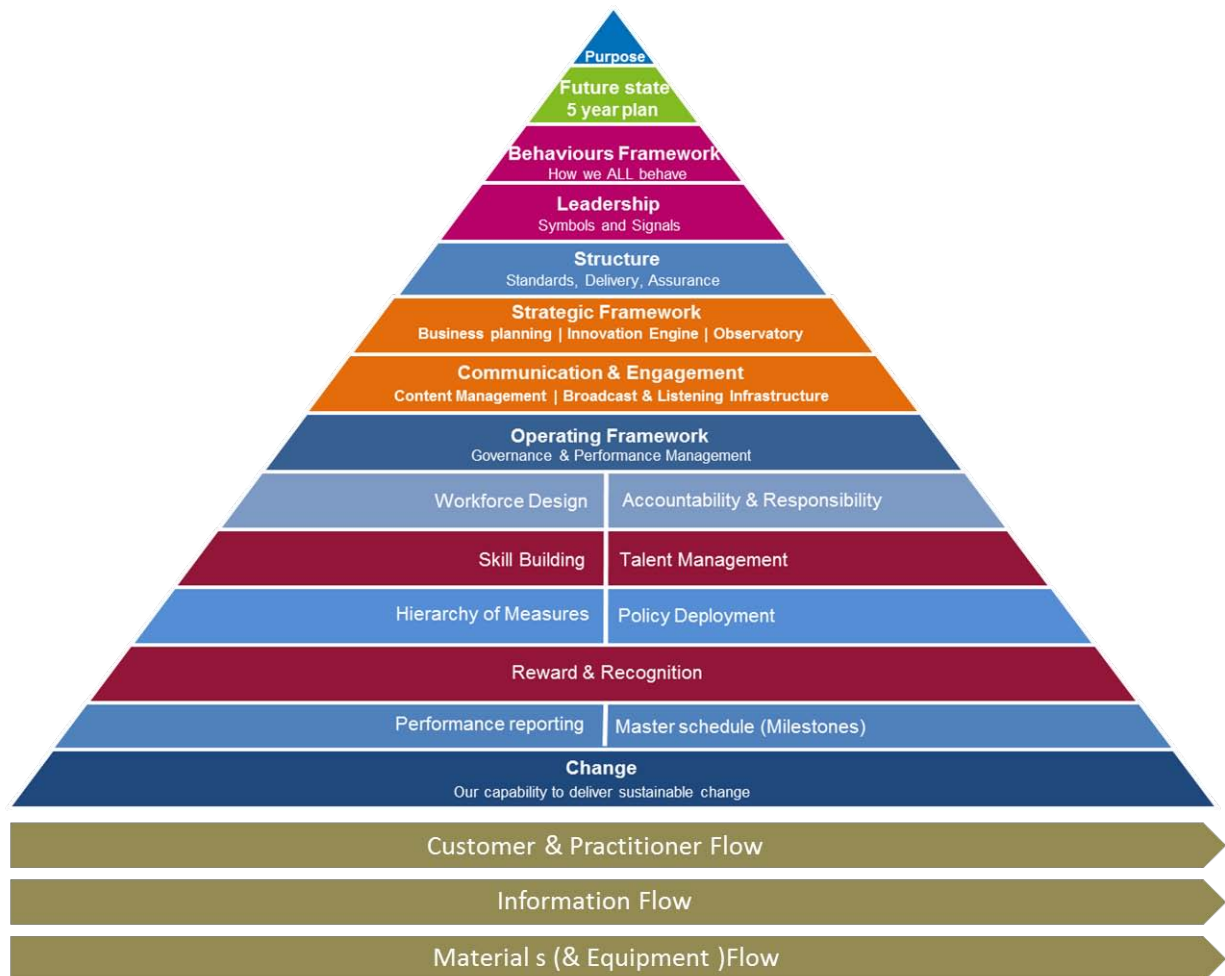


## Is organisational design fundamental to achieving a culture of continuous improvement?

A written perspective by Michael Shaw (January 2015).

What is it that drives a culture continuous improvement with an organisation? Is it sufficient to just develop the skills of the workforce in the basic science of improvement? You can hear the sales patter of the management consultants, let us train your workforce in lean, etc. and they will go forth; day in day out motivated to improve what they do and how they do it for the benefit of the customer, patient and ultimately for the success of organisation! Or is the answer far more complex, multi-faceted and quite wicked? Is continuous improvement not the prize, but the outcome, the recognition that the organisation actually works! If that hypothesis is correct then what are the inputs, the processes which generate the outcome? Could it be anything to do with the design of the organisation, are there a set of fundamental building blocks (components) critical to all organisations; whatever their size which enable, encourage and drive continuous improvement? Is the design of the organisation fundamental to its success?



Michael Shaw - continuous improvement organisation design model 2012 - Healthcare ©

The work of Myron Rogers on 'living systems' and the formation and function of teams suggests that the dynamics of organising and action happen at a micro team level, a proposition with which I concur. However what is the dynamic which organises all of those teams to work together to the benefit of the overall collective goal; the stability and development of the meso level form; the hospital, the council, the factory, the organisation, etc.? How are those teams bounded together to a collective future state? Do we not need a framework; a set of building blocks (components), a design which is both physical and physiological? A construct which needs to be designed, built and each and every constituent part maintained.

It has been suggested that to design an organisation you need to understand the business model, but is this really the case or does that depend on level to which you focus, at a meso level would all the essential building blocks not be the same? It is not at the micro level that you would need to consider the business model, the information technology, accounting architecture, the pathway, etc.

To design an organisation effectively, you need a coherent whole which includes; a purpose, structure, operating framework, change, processes, etc. I wonder if you asked a sample Chief Executives to 'dust off' their organisational design plans; how many would be able to show the the blue print? How many would just put in front of you the organogram, their hierarchy of direct reports? Each and every building block (component) may be delegated to those on the chart, but how often do we design a coherent whole, how often does that Chief Executive sit down with his or her team; design, review and monitor the health of the overall design? Is it correct to assume that the focus of that group is on the micro level outputs, the production line, the pathway, etc?

My experience of the NHS over the last 11 years leads me to believe that on the whole the NHS tends to focus at the design of specific pathways (micro level) or on the health economy (macro) we never appear to consider, invest in or intervene at the organisation level (meso). The health and well-being of the organisation only becomes of interest when an outcome either indicates a failure to return a financial surplus or the quality of care deteriorates. As for the diagnostic and subsequent intervention; I wonder where organisational design sits on the assessment agenda.

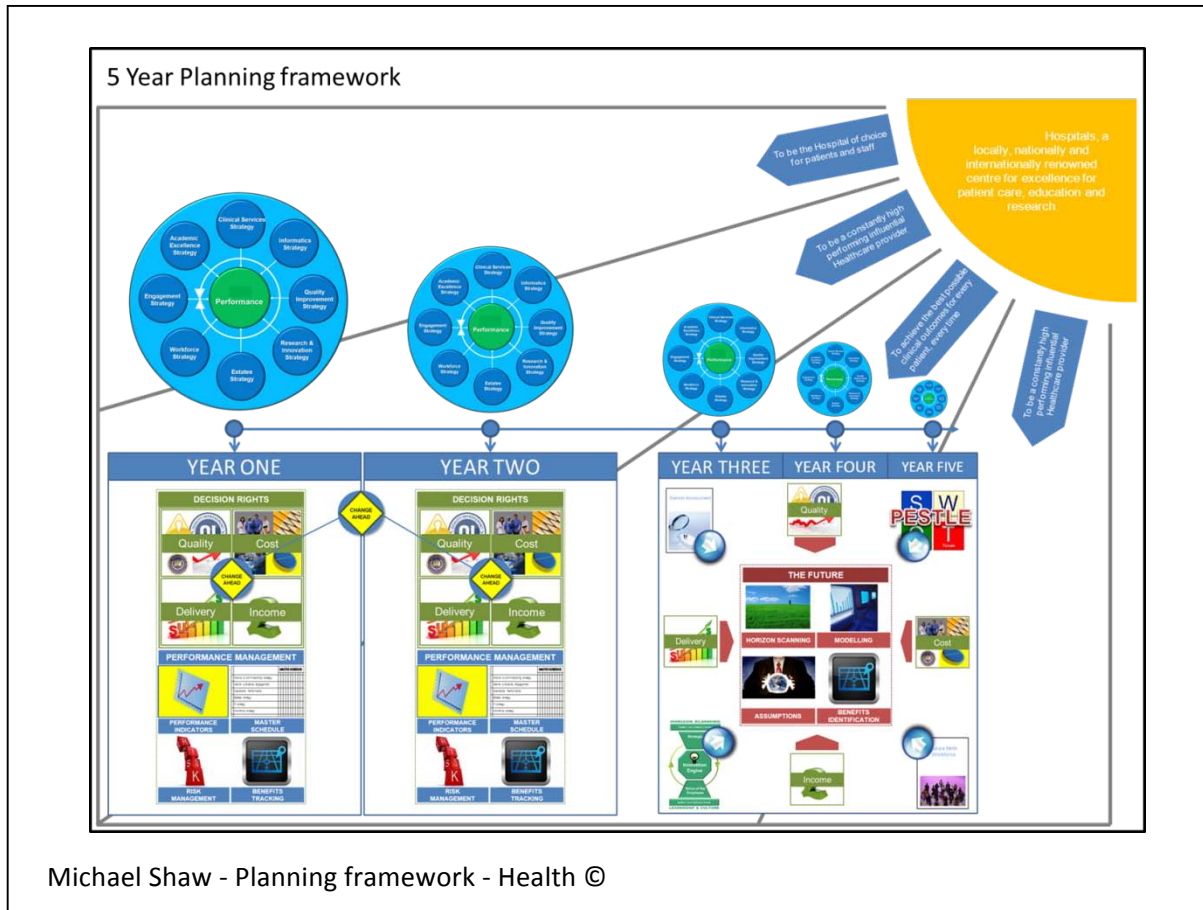
An agenda that transcends multiple organisation, leadership and improvement disciplines. Which on their own would lead us to identify best in practice for each and every one, but as a whole would this then not give us the answer to the question that the design of an organisation is fundamental to its success? A success at being able to respond more rapidly to an ever evolving and fluctuating external environment (macro) and at a micro level to achieve that very rare thing called; continuous improvement. The meso level building blocks would themselves not be immune from this achievement, they too need to evolve and continuously improve.

## Organisation Design – building blocks for success

The 'organisation design model' which I have called 'continuous improvement organisation design model 2012 - Health ©' is a blue print, a construct which brings together those component disciplines into a single form.

The following table describes those components; the output, what the output means and why it's important.

Component	Product	What does it mean	Why it matters
Purpose	A statement	That all employees within the organisation understand as a collective what are we and why as a form we exist.	So that each and every existing employee understands the purpose for the organisation form and to attract new citizens who are attracted to achieving a similar purpose.
Future state	5/10 Year plan	<p>So how do we get from A to B.? What is the future plan for the organisation; what is our road map.</p> <p>Is our thinking directed to a future state of being in support of our purpose?</p>	<p>Why no vision I hear you ask; because a vision is exclusive; the dream of a single man or women!</p> <p>Whereas a future which is shaped and defined by its employees is inclusive so those employees are more likely to be engaged and committed to a road map for the future. To activate that commitment requires what some have termed the 'Golden Thread'. A link from the top to the bottom and back up to the top of the organisation. The Chief Executive to the cleaner need to understand how their activities link and contribute in support of achieving the future.</p>

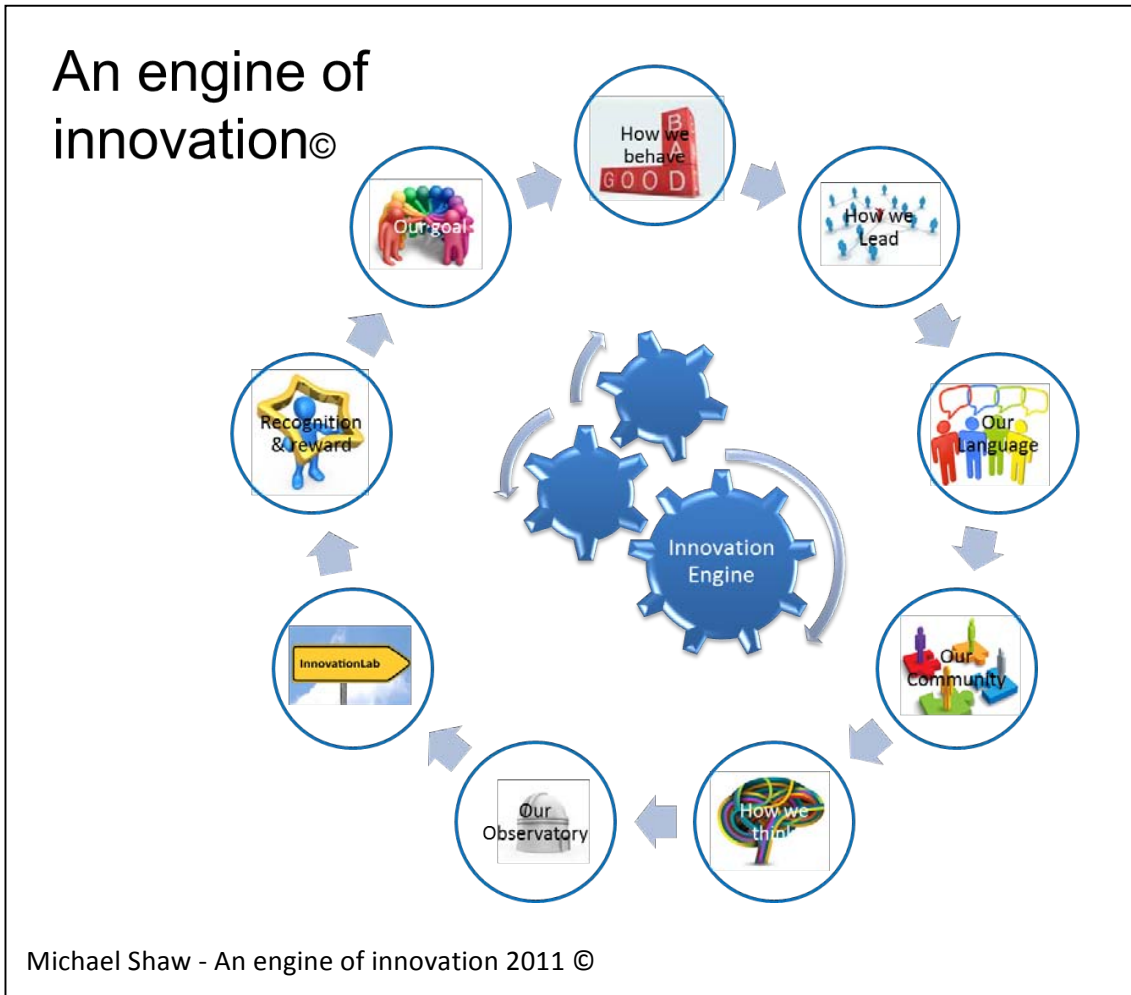


Michael Shaw - Planning framework - Health ©

Component	Product	What does it mean	Why it matters
Behaviours Framework	How we ALL behave	Our behaviours are defined by our values so when the values of the many align the collective behaviour defines our culture which in turn defines our behaviour.	<p>Collective meaning and values inspire, energise and mobilise employees towards a shared goal.</p> <p>Clarity and consistency of expectations and standards ensures issues are identified and resolved quickly</p> <p>The discipline to get things right first time speeds up the process of delivery</p> <p>Customers and other stakeholders respect the function for its straightforward and open way of doing business</p> <p>Employees take pride in the organisation and in the standards of their work</p>

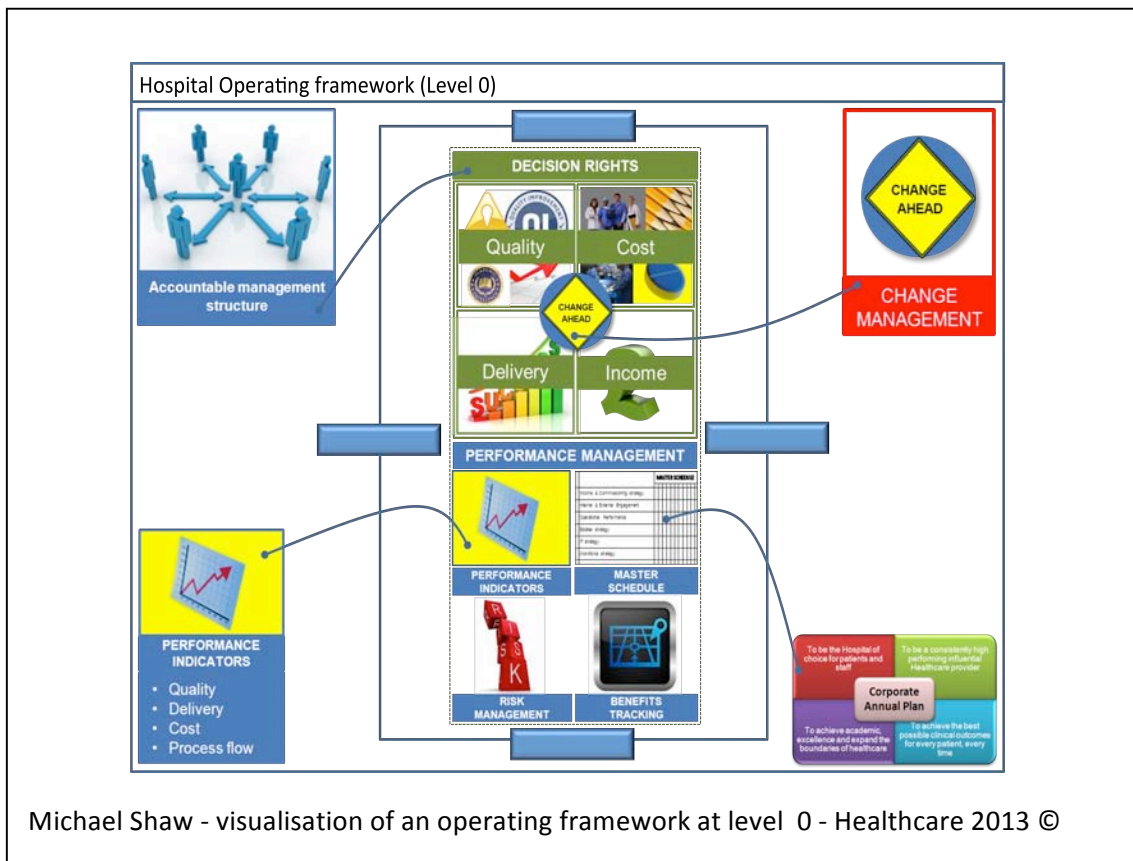
Component	Product	What does it mean	Why it matters
Leadership	Symbols and Signs	<p>As a leader it is the relationships which are fundamental to our ability to inspire, energise and mobilise those around us. Those relationships are made, maintained and developed through our behaviour. Our behaviour is demonstrated to others through our symbolic gestures, signs and rituals.</p>	<p>As a leader does your behaviour (your signals and signs) inspire, energise and mobilise those around you.</p> <p>The interactions between the components, needs to energise and mobilise the whole and that interaction is called Leadership.</p>
Structure	Standards, Delivery, Assurance	<p>Organisation can be defined by the activities; setting the standard, delivering the standard and an assurance that the standard has been met.</p>	<p>Structures should be simple and transparent in that way it becomes difficulty to hide behind unnecessary complexity.</p> <p>Where there is complexity there is usually ambiguity, where there is ambiguity you will find confusion and failure. Where confusion and failure reside you are likely to find fear.</p>
Strategic Framework	Business planning	<p>The detail behind the 5/10 year plan.                      Year 1 - Operational                      Year 2-3 Tactical                      Years 4-10 Strategic</p> <p>[PESTLE analysis, SWOT analysis, Milestones, Actions, Risk, Responsibilities]</p> <p>A year 1 - 'Master Schedule' of actions.</p>	<p>What are the steps that we need to take to reach our future state. A map is a critical tool to let you know if you have reached the destination.</p> <p>Business planning needs to feel like a value adding activity. For many managers they lose sight of this value, it becomes an onerous once every year task to feed the central beast. An exercise in how to complete the rather complex template rather than an opportunity to define the services strategic bridge, understand how successful you are on your journey and when you need respond to change environment and alter course.</p>





Component	Product	What does it mean	Why it matters
Communication & Engagement	Content Management	Clarity and consistency of communication that employees find meaningful, engaging and relevant.	If individuals and teams don't understand the signals and symbols of those who lead them how will they understand their contribution to the journey of the organisation?
	Broadcast and listening systems	The ability to reach each and every employee through the mediums of vision, sound and text.  The ability for employee to reach each other and the leaders through the mediums of vision, sound and text.	To engage is to connect, to connect is to energise and mobilise. A connected organisation which talks, listens and learns is an organisation which is continually developing and innovating.

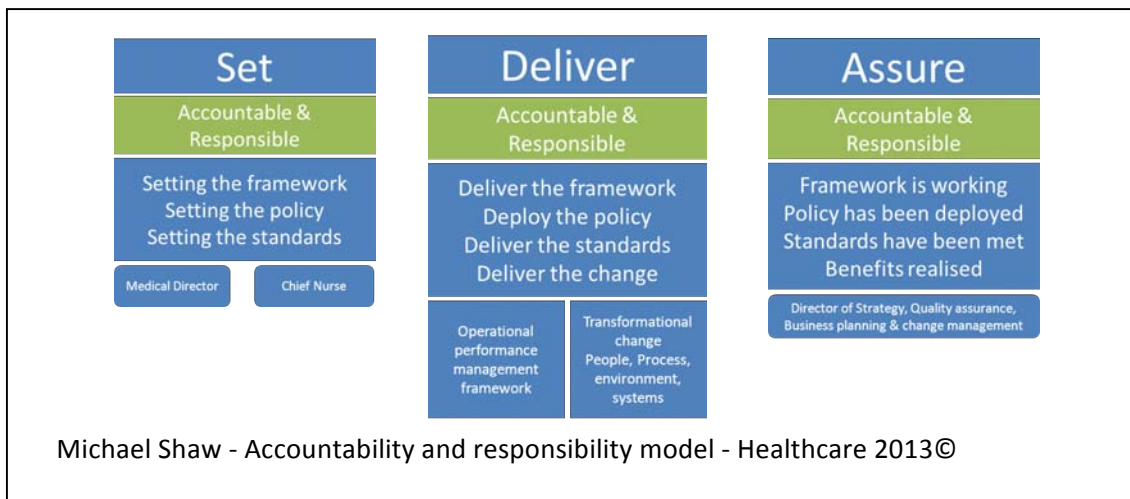
Component	Product	What does it mean	Why it matters
Operating Framework	Governance & Control - Performance facilitation and management	Simple rules, explicit decisions rights and robust performance tools create a framework for operating.	<p>To energise and mobilise the performance of individuals and the teams in which they work they need to be able to self-direct their actions. For those actions to contribute to the overall goal of the organisation those actions need to be guided.</p> <p>Transparency supports open and high quality conversations about the performance of teams and individuals.</p>



Michael Shaw - visualisation of an operating framework at level 0 - Healthcare 2013 ©



Component	Product	What does it mean	Why it matters
	Workforce Design	For the organisation to deliver the future state it will need employees. That need in terms of the size, type, experience, knowledge, skills and quality of workforce will change as the organisation adapts its plans. Workforce design is the systematic identification and analysis of what the organization is going to need to achieve its objectives.	In understanding the workforce implications in terms of the current and future state requirement the organisation can then build a workforce plan of transition so to position its self to achieve its future goals.
	Accountability & responsibility (Set, Deliver, Assure)	<p>Transparency of accountability and responsibility in other words 'ownership' is critical if people are to be held to account for the decisions and action that they make.</p> <p>At a macro level within UK public healthcare we have seen a clear separation on whose role it is to set; standard, deliver and the assure the standards. At a micro (provider level) that separation for many has yet to happen.</p>	<p>Where accountabilities and responsibilities are well established a culture of decisive action is prevalent.</p> <p>The combining of executive roles can lead to a conflict of interest and ambiguity in terms of accountability and responsibility.</p>



Component	Product	What does it mean	Why it matters
	Skill Building	The continuous development of the capability of the workforce. Achieved through formal and informal methods of learning.	For the organisation to meet the challenges of today and tomorrow the skills set of all employees needs to be continually extended so to provide greater flexibility in resourcing when responding to changing operational, tactical and strategic drivers.
	Talent Management	Identify, develop and secure your rising stars; those who best demonstrate the values of the organisation through their behaviour. The individuals with the critical and unique skills which can be hard to source from the marketplace.	To achieve the organisations medium to long-term plan; those who uphold the very behaviours the organisation has deemed fundamental to its success in combination with the essential skills needed to deliver the objectives are critical.
	Hierarchy of measures	Alignment of strategic and operational process and outcome metrics.	So that each and every employee or team understands how they are performing and how that performance contributes to the overall performance of the organisation.
	Policy deployment	Systematizing the operational plans by connecting them to the tactical and strategic plans as defined in the business planning process. Link those plans to the aligned hierarchy of the measures.	This is where operational, tactical and the strategic teams implement and performance manage their plans.

Component	Product	What does it mean	Why it matters
	Reward & Recognition	Employee recognition is a communication tool that reinforces and rewards the most important outcomes people create for the organisation. An effective employee recognition system should be simple, immediate, transparent and reinforcing.	When employees are recognised effectively, it reinforces, with the chosen means of recognition, the actions and behaviours the most wants to see employees repeat.
	Performance reporting	The default position for performance management is set to 'exception'.	Responsiveness to patient/customer and system feedback identifies priorities for new product/service development and performance improvement.
	Master Schedule (Milestones)	A visual mile-stone chart. At an operational, tactical or strategic level this provides focus and transparency to all employees of the actions within their unit, function, service which they are required to deliver over the duration of the defined period. The master schedule product has been referenced in the Business planning process component.	<p>It should be visible for all employees to see and should form the central element of a weekly performance review meeting. It supports the co-ordination of efforts and connects it to the appropriate, input, process and outcomes measures which the actions affect.</p> <p>It creates self-actualisation of the required input and impact on the achievement of the units, functions, service and ultimately the organisations goals.</p>

Change	Our capability to deliver sustainable change	Organisations need an integrated and systematic approach to change whether that change is local or large scale. Employees need to have the capability to make change; they need to follow an overall approach and speak a common language.	To understand how to do change even if that understanding is only basic, to be able to talk in a language which others understand creates a level of confidence. This can empower employees to seek their own solutions and make the changes to their service in response to failing performance. More importantly it can mobilise employees to seek and deliver continually improvement in the performance of their service.
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## Conclusion

The individual components of the meso level design are themselves complex disciplines but on their own they don't improve the whole, they don't deliver organisational continuous improvement. In an organisation that continually improves, it is not so much the individual parts that matter but how they come together, connect and interact to create the whole. A whole which needs to be designed, a whole created from a blue print, a blue print that needs to be reviewed, monitored and continually improved.

All the components have a critical role to play, but the one component which connects the rest and drives the interaction is leadership. The behaviour, the signals and signs that inspire, energise and mobilise.

So is organisational design fundamental to achieving a culture of continuous improvement? Is there a set of fundamental building blocks (components) critical to all organisations; whatever their size which enable, encourage and drive continuous improvement? At the organisation (meso) level; yes. A blue print is required, a blue print which brings together all the components (building blocks), components that too need to evolve and continuously improve.

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## Thanks

Mr Steve Boam, Chief Executive, KM&T Ltd.

Written by Michael Shaw, shawm100@hotmail.co.uk.