



CQI Learning Lunch

Culture - What Is It, Can It Be Adaptive and Full of Leadership?

**Host - Dennis Sergent
517-381-5330**

**November 12th, 2010
10:30 AM to 1:00 PM**

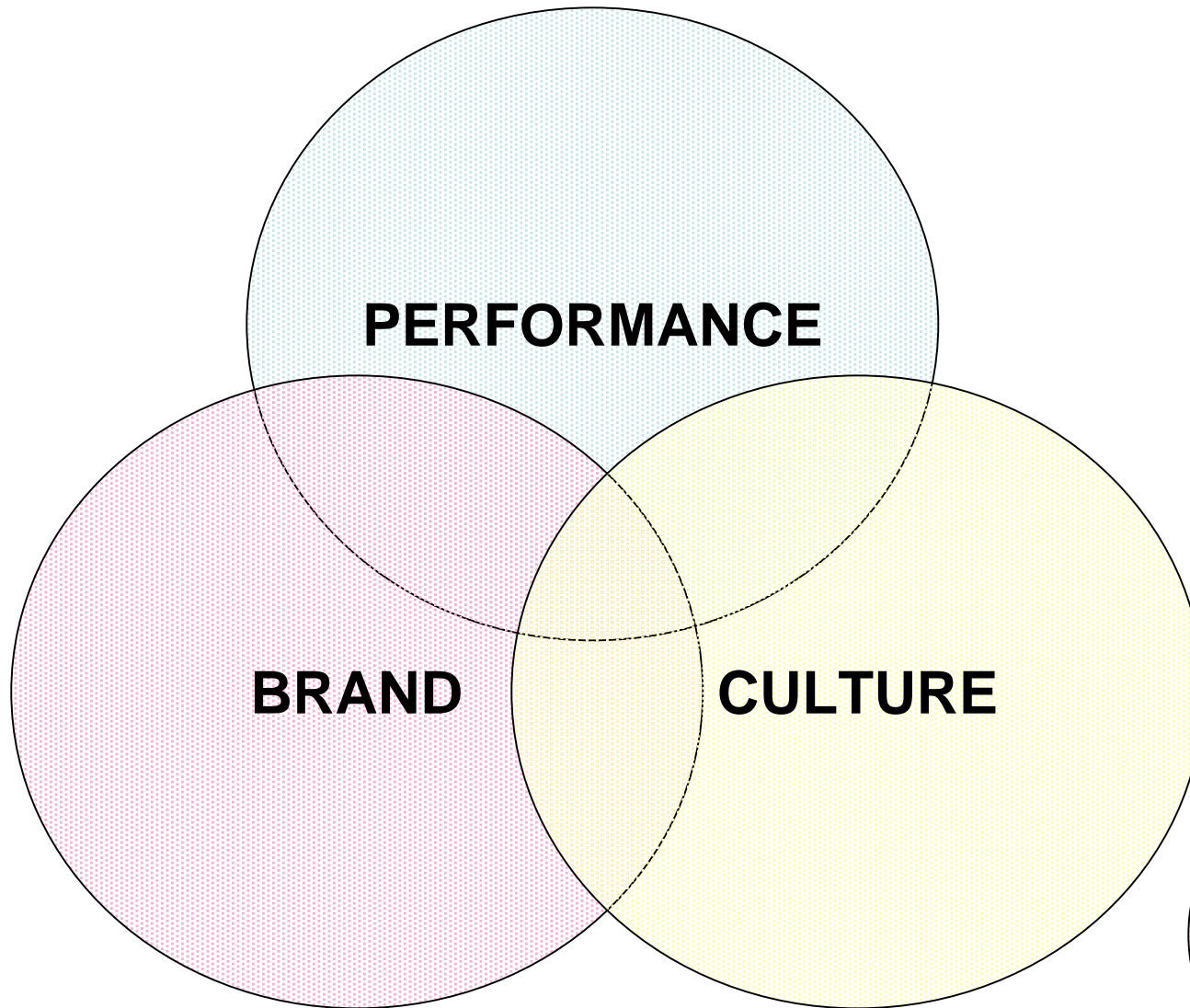
*University Club of Michigan State
3435 Forest Road, Lansing, MI 48909
517-353-5111*

What Is Culture?

Operating definition: *A blend of the values, beliefs, taboos, symbols, rituals and myths that all organizations develop over time*

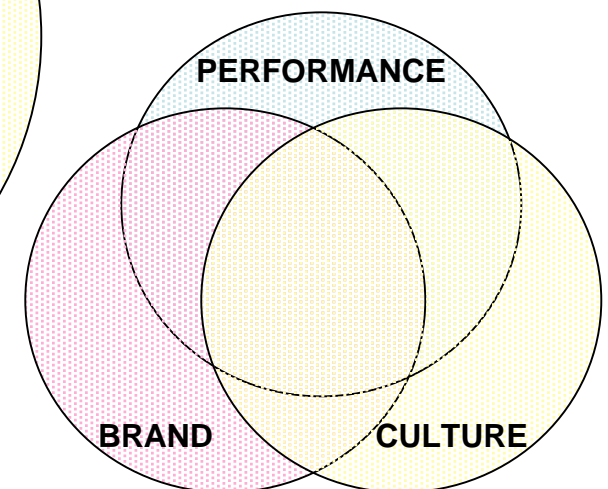
- Whether written, spoken or merely understood, culture describes and governs the ways members of organizations think, feel and act
- Cultures may be based on beliefs spelled out in vision & mission statements, objectives, goals, policies, processes and practices
- It consists in part of symbols, like the workplace, tools, uniforms or other artifacts
- Whatever shape it takes, organizational culture plays a big role in determining how well the team performs
- Closely related to performance AND brand
- A highly complex system in most organizations
- It impacts and is impacted by many subsystems
- It impacts and is impacted by the containing systems

Managing Culture During Change



**Changes To
Performance**

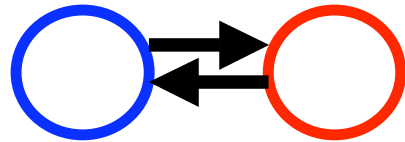
***Require
Changes To
Both
Brand and Culture***



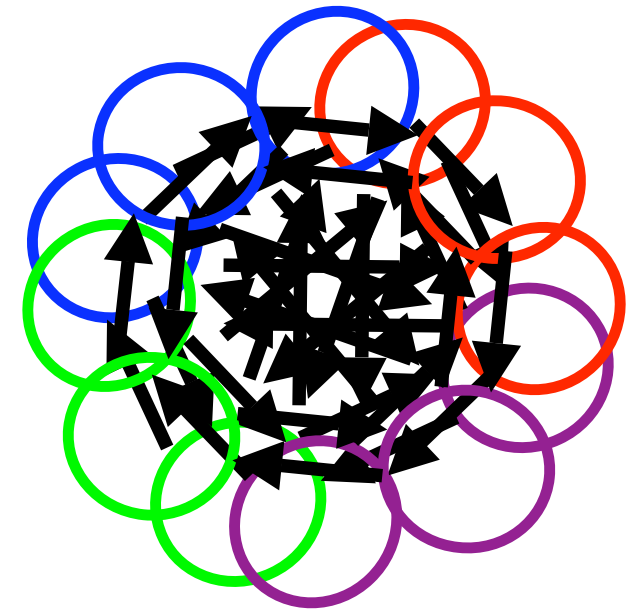
Complexity In Relationships In Any Team

The **Power and Capacity** of a Team is the result of the **Trusting Relationships** between its members.

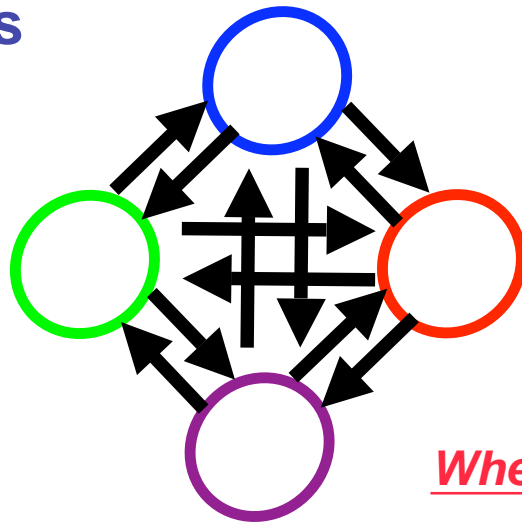
2 people = 2
relationships



12 people = 132 relationships



8 people = 56
relationships



When trust is absent, capacity is reduced.

Deming's 14 Points For Management

Key to understanding the 14 Points is variation. The more variation - the more waste, Deming's 14 points are paraphrased here:

1. **Create constancy of purpose towards improvement.**
 - Replace short-term reaction with long-term planning.
2. **Adopt the new philosophy.**
 - Management should walk the talk.
3. **Cease dependence on inspection.**
 - Reduced variation eliminates need to inspect for defects.
4. **Move towards a single supplier for any one item.**
 - Multiple suppliers mean variation between feedstocks.
5. **Improve constantly and forever.**
 - Constantly strive to reduce variation.
6. **Institute training on the job.**
 - Adequately trained staff will all work the same way, and reduce variation.
7. **Institute leadership.**
 - Mere supervision is quota- and target-based
8. **Drive out fear.**
 - Long term, it prevents workers from acting in the organization's best interests.
9. **Break down barriers between departments.**
 - Use the 'internal customer', that each department serves other departments that use its output.
10. **Eliminate slogans.**
 - It's not people who make most mistakes - it's the process they are working within.
11. **Eliminate "management by objectives".**
 - Deming saw production targets as encouraging the delivery of poor-quality goods.
12. **Remove barriers to pride of workmanship.**
 - Many of the other problems outlined reduce worker satisfaction.
13. **Institute education and self-improvement.**
 - **Harassing the workforce without improving the processes they use is counter-productive.**
14. **The transformation is everyone's job.**
 - "You do not have to do this. Survival is not compulsory."

Management and Leadership -
Is responsible to create the culture as a system in organizations and then manage it.

All Employees -
Operate within the culture and system, then succeed or suffer loss because of it.

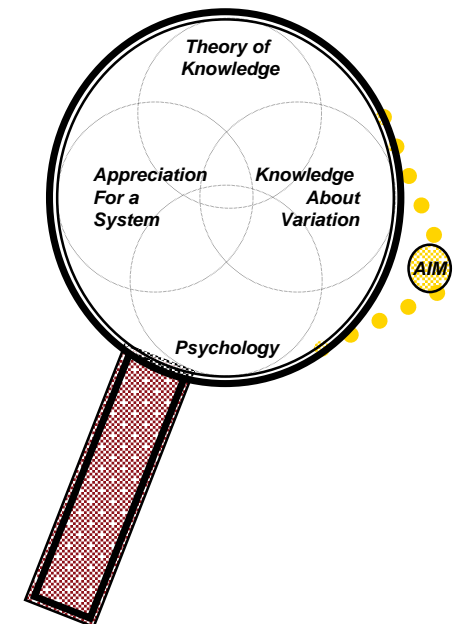
Can Culture Be Adaptive?

- YES!
 - But it will be hard work
- It must have awareness
- It must have learning
- It must have not merely change, or transition
- It can have transformation with:
 - An understanding of Knowledge
 - An appreciation for Systems
 - Knowledge of Variation
 - Knowledge about Psychology
 - Learning (Double - Loop Learning)
 - Acknowledge Common Issues
 - And at Least One Transformational Leader
 - Followed By Many Others

Theory of Knowledge

“One need not be eminent in any part of profound knowledge in order to understand and to apply it”

- Management is prediction
- Knowledge is built on theory
- Information is not knowledge
- Rational prediction requires theory
- Interpretation of data from a test or experiment is prediction
- There is a need for clarity in operational definitions
- Enlargement of a committee is not a reliable way to acquire knowledge



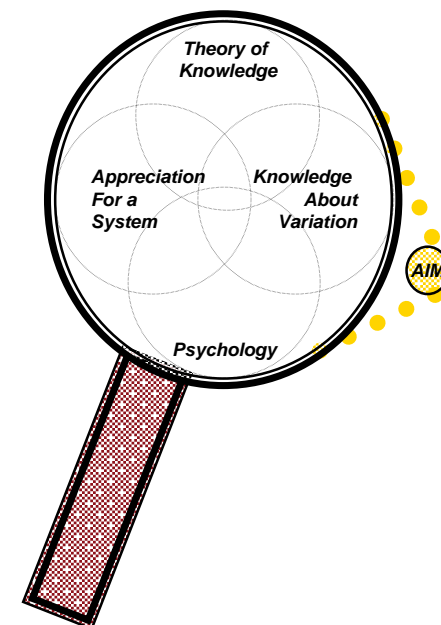
Appreciation For Systems

“One need not be eminent in any part of profound knowledge in order to understand and to apply it”

- A system must have an aim
- The aim is a value judgment
- A system includes the future and competitors
- A system must be managed, it will not manage itself
- A system can not understand itself and needs guidance from outside
- The bigger the system, the more difficult to manage
- The greater the interdependence between components
 - The greater the need for cooperation between them
- Management must manage the interdependence
 - Between components
 - Towards the aim of the system
- Left to themselves, the components become:
 - Selfish,
 - Competitive
 - Thus destroy the system

OPERATIONAL DEFINITION:

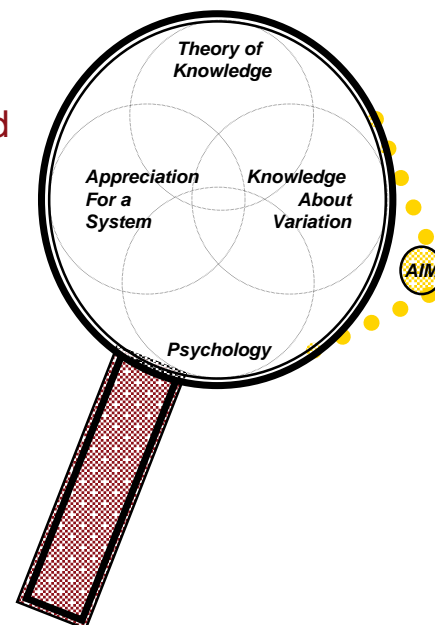
A system is a network of interdependent components that work together to try to accomplish the aim of the system.



Knowledge About Variation

“One need not be eminent in any part of profound knowledge in order to understand and to apply it”

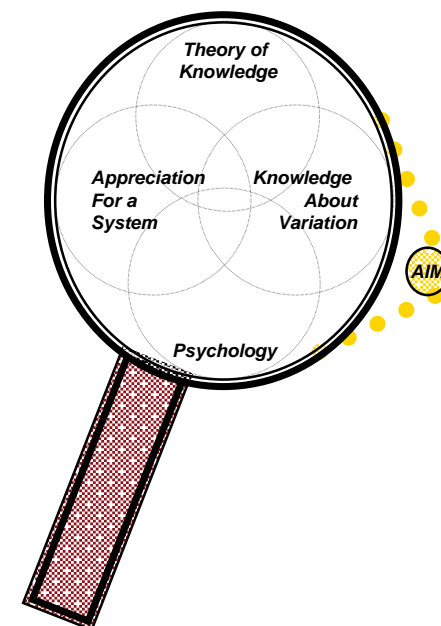
- There will always be variation in every thing
- Variation in common causes and special causes are to be understood
- Stable systems and their capabilities must be studied to be understood and appreciated
- Use of data about a system requires knowledge about the different sources of uncertainty and variation
- Use of data requires understanding of the distinctions between enumerative studies & analytic problems
 - Enumerative Studies = Information about the frame
 - Analytic Problems = Results of a test or experiment must be inferred
 - To a predicted future state
- The cost of mistakes of thinking and action
 - Fundamental Attribution Errors
 - Tampering



Knowledge of Psychology

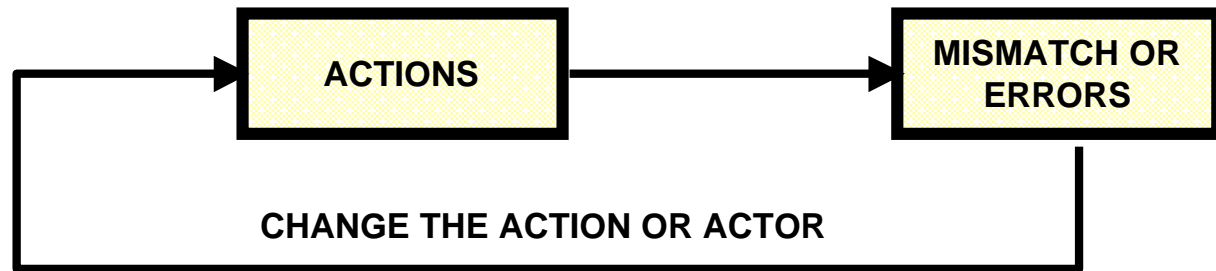
“One need not be eminent in any part of profound knowledge in order to understand and to apply it.”

- Psychology helps understand people and the interactions between them
- Every person is different than every other person
- People are born with a natural inclination to learn
- People learn in different ways and at different speeds
- People are born with a need to be in relationships with others, need respect and esteem by others
- All people are motivated to a different degree by extrinsic and intrinsic factors
- Intrinsic and extrinsic sources motivate in much different ways
- Total submission to extrinsic motivation
 - Leads to destruction of the individual
 - Which leads to destruction of the systems they belong to



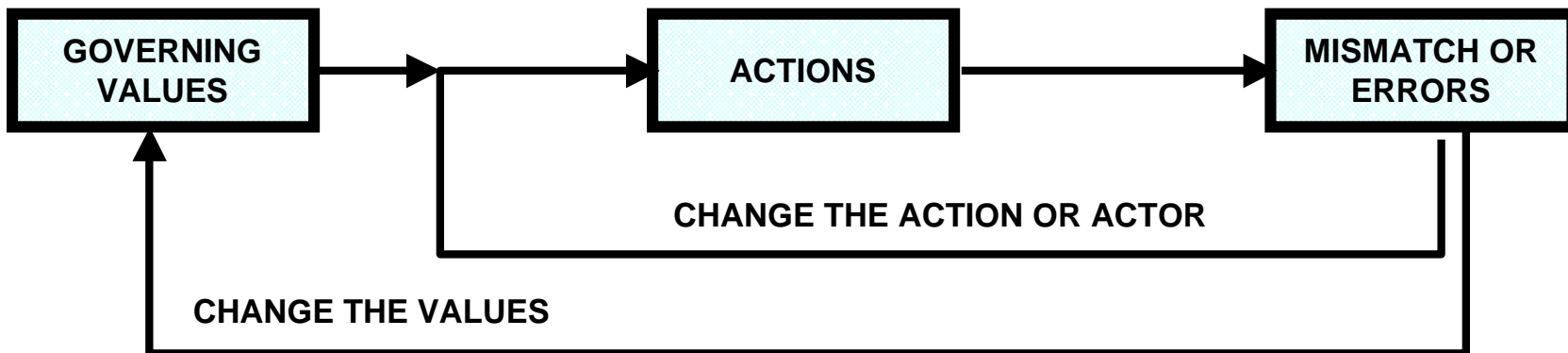
Single Loop Learning - Double Loop Learning

SINGLE-LOOP LEARNING



Invalid or Incomplete Information - Ineffective Roles & Policies, Designed Errors = *Fix Blame*

DOUBLE-LOOP LEARNING



Valid Information - informed Choices - Monitored Implementation = *Fix System*

Acknowledge Common Issues

Culture Issues Are The Same As General Business Issues:

1. Only 15% of Performance Improvement Comes From Training

- The Rest Comes From The Hard Work
- Learning By Doing
- Consulting To Do Things Differently, New Things Or Not At All

2. Only 9% of Communication Depends On Words

- Non-Verbal Communication Accounts For 90+%
- We Can Unlock What is NOT Said Today
- Competent Facilitators Are Essential

3. Only 21% of Training Value Comes from Teachers or Instructors

- About 80% Comes From The Learner Doing
- Value (\$) Difference from Active Learning Examples Abound

4. 53% of Projects Fail

- With Certified Project Managers
- There Are models of higher performance

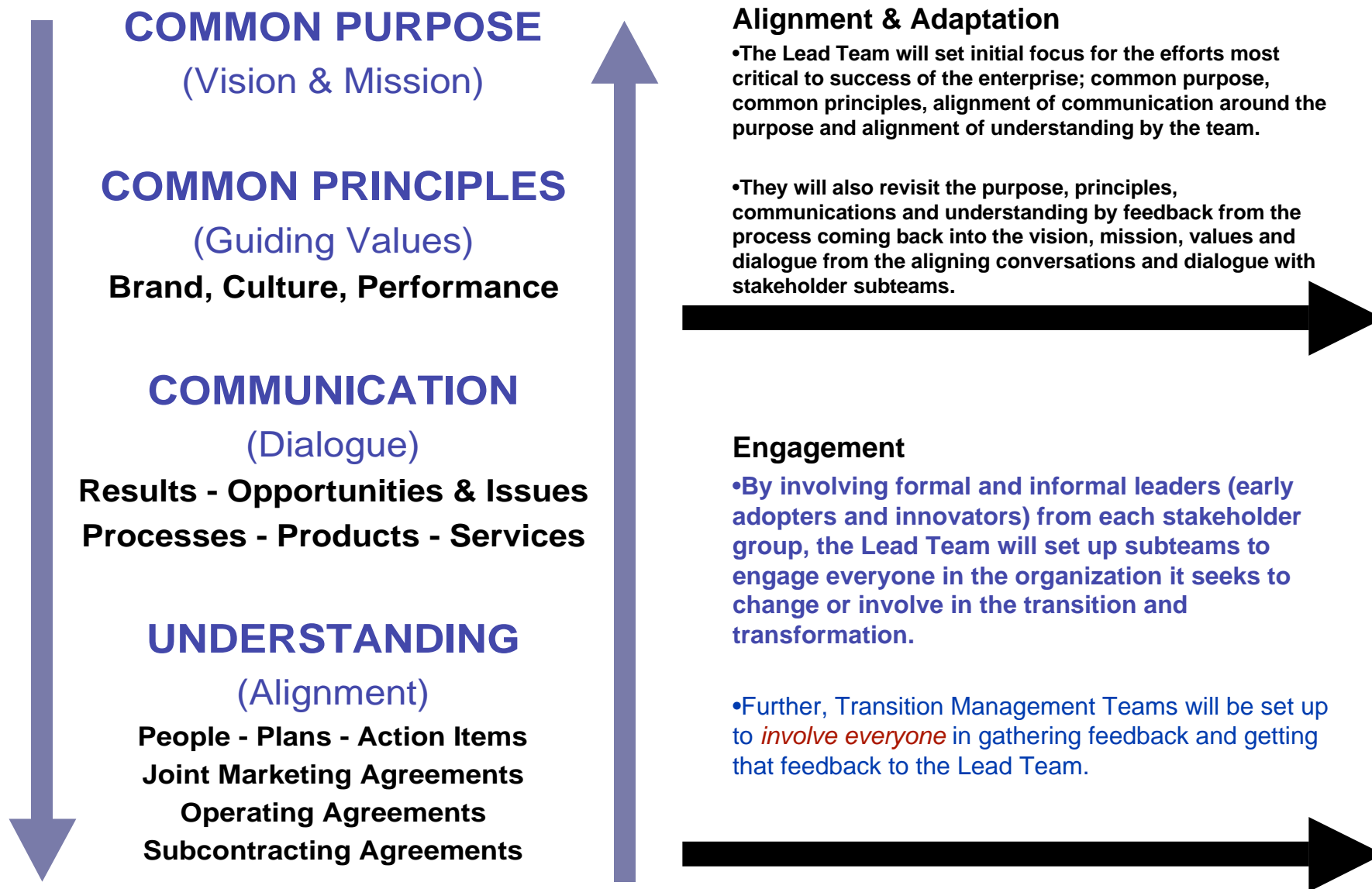
5. 65% of Transformation Projects Fail

- Because People, Brand and **Culture** are usually ignored in favor of technology
- Defensive Reasoning can be addressed, but takes time and trust

Can It Be Full of Leadership?

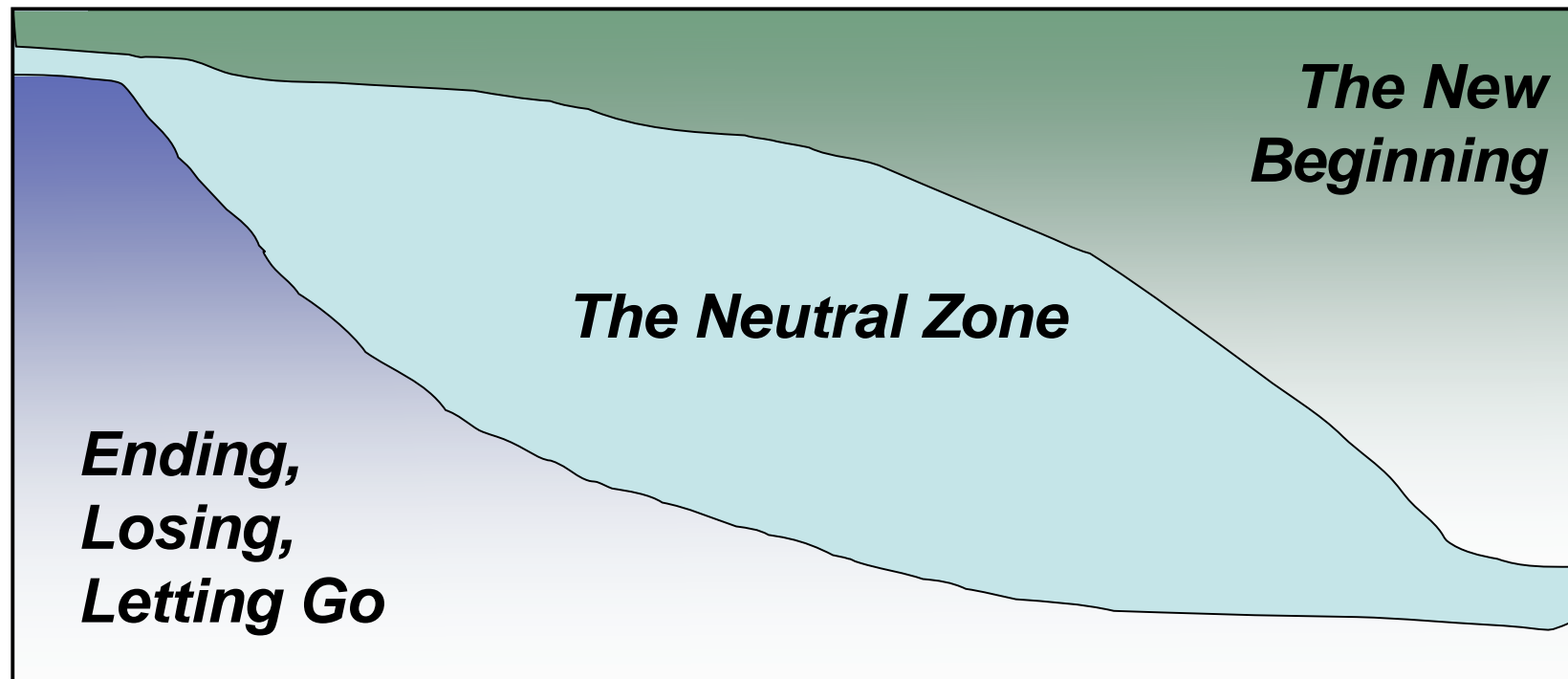
- YES!
 - But it will be hard work
- Models Abound
 - Alignment, Adaptation, Engagement
 - Bridges Model
 - Everett Rogers Model
 - Change Checklist
 - Daszko - Sheinberg Model
 - Kotter Model
 - Purpose - Focused Dialogue
 - Other Models
- What Can Leaders Do?

Alignment, Adaptation & Engagement



Bridges Model

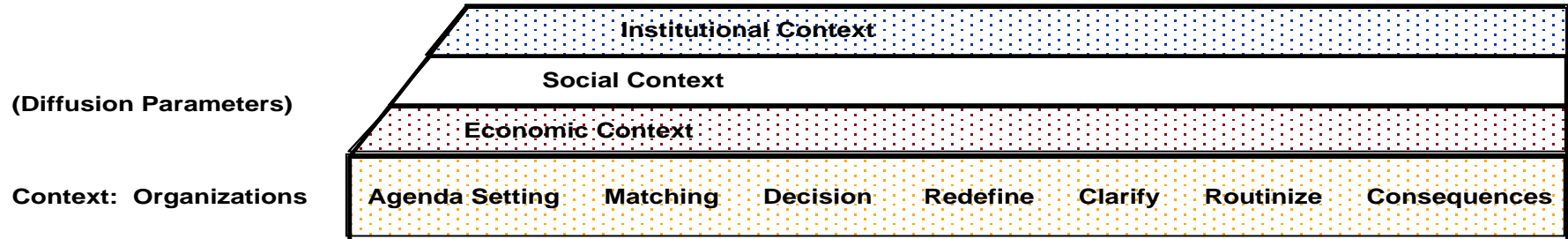
- Managing Transitions - Making The Most of Change
- Three Phases
 - Ending, Losing, Letting Go (of The Old Culture)
 - The Neutral Zone
 - The New Beginning (New Culture)



Everett Rogers Model

Diffusion of Innovations

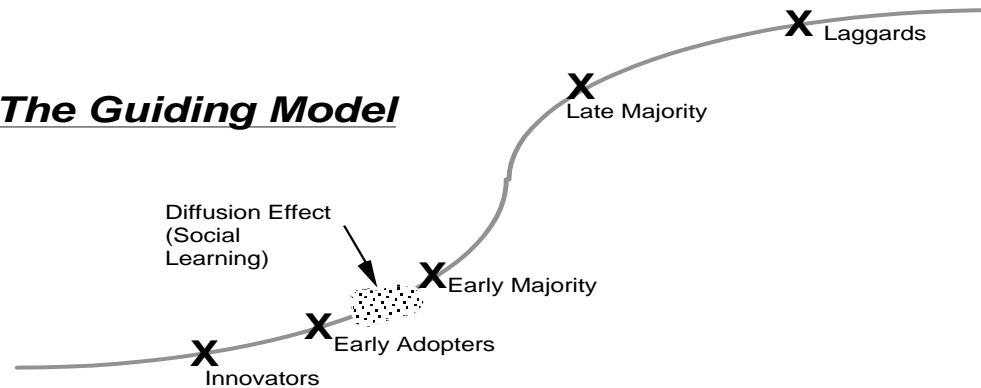
- Metacompetence in the Diffusion Process



[Diffusion Process]

Primary Reference:
 "Diffusion of Innovations"
 The Free Press,
 By Everett M. Rogers, 1983

The Guiding Model



- SYSTEM:**
- Structural Characteristics
 - centralization
 - formalization
 - complexity
 - size
 - organizational slack
 - Implementation Complexity



Individual Competence

[Change Agent Effort -- (#1-6) - - - - -]	[CA effort - - - (#7,8) - - - - -]
[- - - Create and/or Reduce Dissonance - - -]	[- - - Reinforce Consonance - - -]



Relative Advantage; Complexity; Compatibility; Trialability; Observability	(Transferability) (Communicability)
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Change Checklist

1. Communicate The Aim & Process

- Expectations from the executive team to the front line
- Accountability for implementation and tracking
- Motivated by evidence based decision making and learning
- Acknowledge who is losing what

2. Invest Resources

- People & Time
- Process & Structure
- Budget

3. Educate & Learn

- Theory & Evidence
- Policy, Protocol, Practice
- What, Why, When, Who, How

4. Look For Evidence & Prompts

- Visual Clues & Alerts
- Documentation & Pathways
- Manual or Automatic

5. Coach or Force Function

- Champion or Gatekeeper (Coaches, Chairs, Teams)
- Manual or Automatic

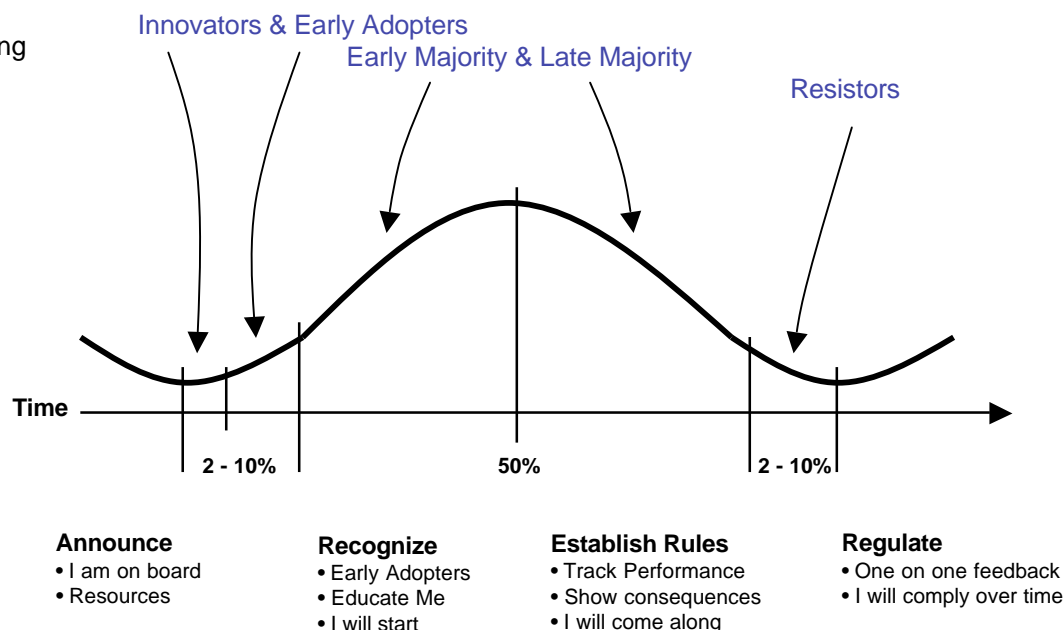
6. Monitor Performance & Discover Value

- Timely Feedback and Recognition
- Balance of Rewards / Consequences
- Benefits and Business Case (ROI or Value)
- Performance Analysis Review - Opportunities for Improvement
- Barrier removal through continuous performance improvement

7. Review Aim, Targets, Goals, Balanced Scorecard, Performance

- System, Site, Team, Individual Dashboards
- Action Item List - Red Jeopardy Reports

Adoption Rate & Motivation



References & Many Thanks

- Judy Avie, RN MEd - for sharing this tool
- Everett Rogers - 1995 (Adopters Rate / Motivation graph)
- William Bridges - 1991
- James Prochask - 1995
- John Kotter - 1996
- Malcolm Gladwell - 2000

Daszko - Sheinberg Transformation Model

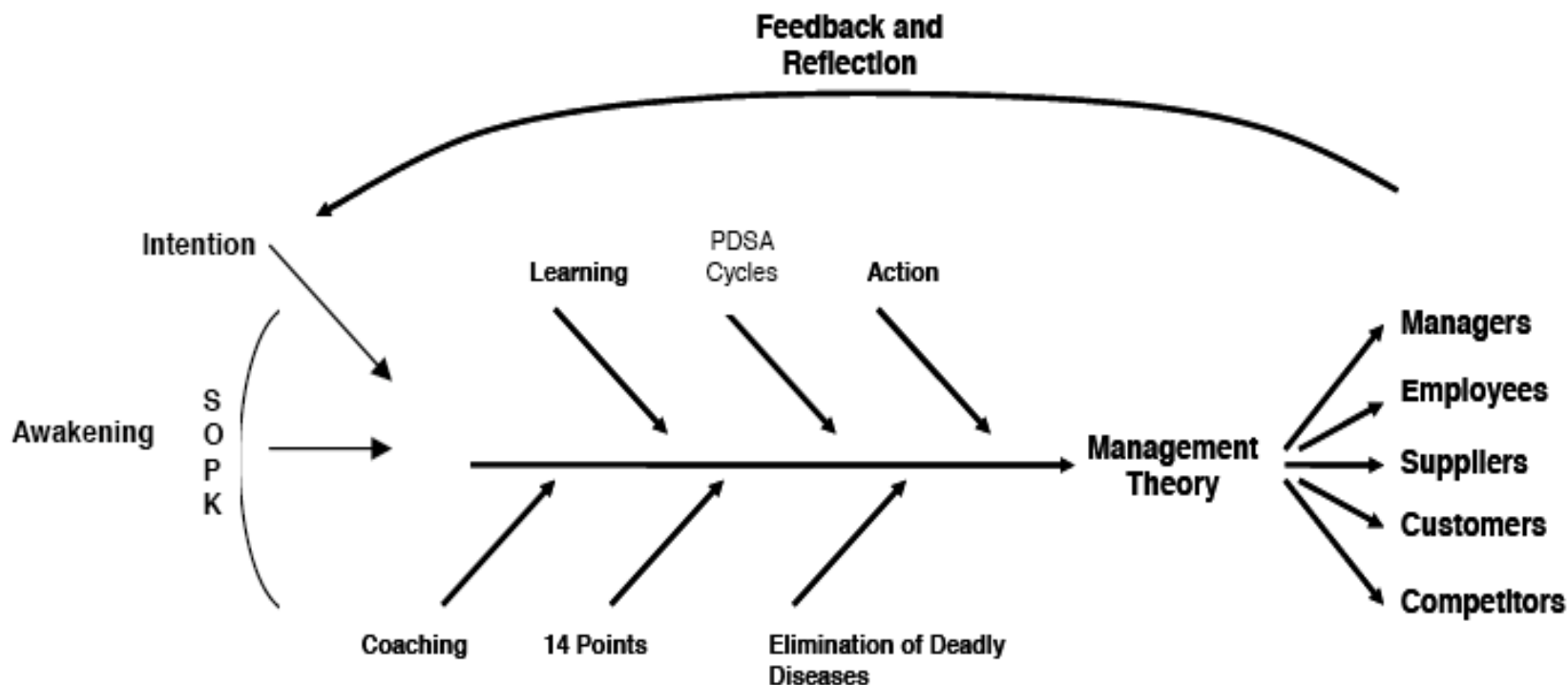


Figure 4. A System for Creating Transformation

“A system is a network of interdependent components that work together to try to accomplish the aim of the system.” (Deming [1993]).

Kotter Model

Eight Stage Process of Creating Major Change

1. Establish A Sense of Urgency (INCREASE URGENCY)
2. Create The Guiding Coalition (BUILD THE GUIDING TEAM)
3. Develop a Vision and Strategy (GET THE VISION RIGHT)
4. Communicate The Change Vision (COMMUNICATE FOR BUY-IN)
5. Empower Broad Based Action (EMPOWER ACTION)
6. Generate Short Term Wins (CREATE SHORT TERM WINS)
7. Consolidate Gains & Produce More Change (DON'T LET UP)
8. Anchor New Approaches In The Culture (MAKE CHANGES STICK)

Eight Steps For Successful Large Scale Change

- Leading Change
- The Heart of Change
- A Sense of Urgency

Purpose Focused Dialogue

This is a method to discuss knowledge and create solutions around questions which matter to teams.

BASIC ELEMENTS - How it Works

SEAT AT ROUND TABLES of 4 - 8

With Large Paper Sheets, Markers,

EXPLORE QUESTIONS, ISSUES, IDEAS

*Discuss What Matters To Their Situation in
15 - 20 Minutes*

WRITE / DRAW KEY IDEAS & CONNECTIONS

Record & Share Major Insights

TRAVEL IN SEVERAL ROUNDS

*Carry Questions, Ideas, Insights To
New Rounds*

TABLE HOST REMAINS

*Briefly Shares Previous Questions,
Ideas, Insights
Travelers Connect Ideas From
Previous Tables*

LISTEN FOR CORE QUESTIONS, INSIGHT & PATTERNS

*Blend Perspectives In
Progressive Rounds*

BASIC PRINCIPLES - How to Work It!

CLARIFY PRINCIPLES & CONTEXT

*Define Purpose, Participants,
Time Limits, Possibilities*

CREATE COMFORTABLE SPACE

*Pay Attention To Invitation,
Refreshments, Music, Lighting*

EXPLORE SIMPLE, CLEAR, POWERFUL ISSUES

*Ask Open Ended Questions
Which Matter To Participants*

ENCOURAGE PARTICIPATION

*Share Your Best Thinking,
Listen Attentively, Make A Difference*

DIVERSIFY PERSPECTIVES

*Link Discoveries In a Widening
Dialogue and Conversation
Build on Other's Thinking*

LISTEN TOGETHER

*Find Deeper Wisdom
As A Team*

SHARE QUESTIONS, INSIGHTS, PATTERNS IN TOWN HALL CONVERSATION

Larger System Becomes Evident, New Actions Become Possible, Team Value Becomes Obvious

Other Models

- Noel Tichy
 - Political, Cultural, Technical Strands
 - Mechanistic - to - Human Resources - to - Dynamic Model
 - Links To Argyris & MacGregor & Mintzberg
- Geary A. Rummler
 - Improving Human Performance In Systems (Organizations)
- Who Else Do You Recommend?
 - What Is Different?
 - What Is Similar?

What Can Leaders Do?

Be comfortable with:

- Transforming YOURSELF
 - Set an example
 - Be a good listener, but not compromise aim of the system
 - Continually teach other people
 - Help people to move from their current practice and beliefs
 - Move into the new philosophy without a feeling of guilt about the past
- Learning & PDSA Cycle
 - Productive Reasoning to Counter Defensive Reasoning
 - Leadership, not just management
- Managing by Fact
 - Data drives decisions
 - Realize that everything that counts cannot be measured
- Balancing Interests of Customer, Team and Owner
 - Cooperative processes
 - Middle management must lead, support
 - Align, adapt the plan by the whole team
 - Involve and engage all employees
 - Customer perception of value must be kept in focus
- Make A Commitment to Quality - for a Long Term Future
 - People, Time and Resources
 - System of Profound Knowledge
 - Actions of Leadership **MUST BE Consistent With Words**



Lunch!

- **Let's collect our lunch!**
- **Room will be secure**
- **Staff will take your drink orders in the meeting room**
- **When you return, start discussing at your table**
- **Make sure everyone is heard from**
- **Appoint one person to record your answers to the following questions!**



TABLE DISCUSSIONS

AT EACH TABLE DISCUSS AND DOCUMENT:

- **WHAT ARE OUR NEXT ACTION STEPS?**
 - **What did I learn here?**
 - **What do we need to discuss next?**
 - **Who else should be here?**
 - **What will we do with this learning?**
 - **When do we meet again?**

Future Agenda

Future Discussions

- December 15th, 2010 = Overcoming Organizational Defenses (Productive Reasoning)
- January 11th, 2011 = Leadership (What is a “Leader-ful” Organization?)

Other Subject & Speaker Suggestions

- Brainstorming, Benchmarking
- Comparisons of Quality Management Systems
- Continuous Improvement
- Design & Control of Quality (3 Votes) (Ian Bradbury of Peaker Services, Inc.)
- Gipsie Ranney - Anything she wants to discuss
- Having Difficult Conversations - Principles and Tools
- Influence (Influencing Your Leader and Your Team)
- Innovation
- Lean Principles (2 VOTES)
- Lean Project: Eliminating the Waste In Performance Reviews (R. Steele of Peaker Services)
- Overcoming Roadblocks (2 VOTES)
- Quality Tools & Processes (Beth Leinhart)
- Six Sigma

What Are Your Ideas?



**SERGEANT
RESULTS
GROUP**

CQI LEARNING LUNCH

**Culture - What Is It, Can It Be Adaptive
and Full of Leadership?**

