# Quality & HSE
## FOCUS
### MAGAZINE

THE AFFINITY DIAGRAMS GUIDE IS INSIDE!

# CREATING A HIGH WORK PERFORMANCE CULTURE

**Dominate the Forces that Drive Success or Failure**

# THE FUTURE OF LEAN

**The Future of Lean Evolution Revealed**

# How to use this app?

Swipe Horizontally to go to the next page

# CONTENTS

# PUBLISHER'S NOTE

Hello Professionals!

And welcome to the very first issue of Quality and HSE Focus Magazine 2014!

Today we will find the way to create high performance work culture with David Patrishkoff. And will have a practical look into one old axiom with Daniel T Bloom.

We will also stop by Mark Graban and John Toussaint to listen to their talk about CEO challenges and Enduring Excellence. Get your headsets ready and sit back!

Then we will look into the future of Lean together with Bob Emiliani and see where it will evolve.

Overwhelmed with reading? Turn on Quality Focus TV and watch Ron Pereira sharing with you the way to leverage the powerful A3 report!

Finally we will learn and practice Affinity Diagrams which will help us sifting through large volumes of information and ideas with efficiency, with Steven Bonacorsi

Enjoy reading listening and watching and don't forget to let us know from time to time on how do yo think we are doing and where we could do better.

To your professional and business success.

*Roman, Rick and Bob*

# CREATING HIGH PERFORMANCE WORK CULTURE
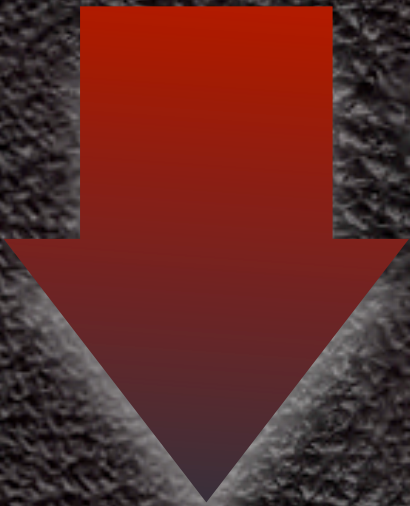
## Dominate the Forces that Drive Success or Failure

### BY DAVID J PATRISHKOFF

**The best articulated Corporate Vision and Strategy is of no value if it cannot engage the hearts, minds and work culture of employees at all levels and convey a purpose beyond just profit.**

**In** the September issue of Quality and HSE Focus Magazine, I wrote the lead article titled: Identifying Cascade Effect Risks in Organizations. This follow-up article will explore the mix of positive and negative forces present in any organization, which defines its work culture and chances of success or failure. The best articulated Corporate Vision and Strategy is of no value if it cannot engage the hearts, minds and work culture of employees at all levels and convey a purpose beyond just profit.

A vision states where an organization wants to go, a strategy defines the path to get there and the work culture describes how business processes are actually executed along the path towards the vision. The health of a work culture can range from a contagiously high performance work culture to mediocre or all the way down to a disruptive, confrontational culture that can't get much done on time or done right the first time. A disruptive culture can trump the best vision and strategies every time. On the other hand, if a work culture is nurtured and groomed to align with a carefully crafted vision and strategy, the positive momentum could be unstoppable.

**Figure 1** shows possible scenarios of Vision, Strategy, Culture and Performance alignment and misalignment. Business Process Performance (small white arrows) is more correlated with the Work Culture (small red arrows) than with the Vision or Strategy (big blue

arrow) of an organization. Work Culture drives Business Performance, not the Vision or Strategy. The challenge presented by this dilemma is that the work culture is an invisible force that is hard to measure. It shows its good side when you watch it and only displays its bad sides when you look away. The work culture is the product of complex cascade effects inside an organization and is as much affected by leadership actions as it is by the lack of appropriate actions. If left unattended, it will create its own random world of hidden agendas, which will probably not be aligned with the priorities of the business.

**Figure 1** - 3 Possible scenarios of Vision, Strategy, Culture and Performance alignment



Corporate Vision & Strategy
Organizational Culture
Business Process Performance

Alignment

Non-Alignment

Greatly Conflicting
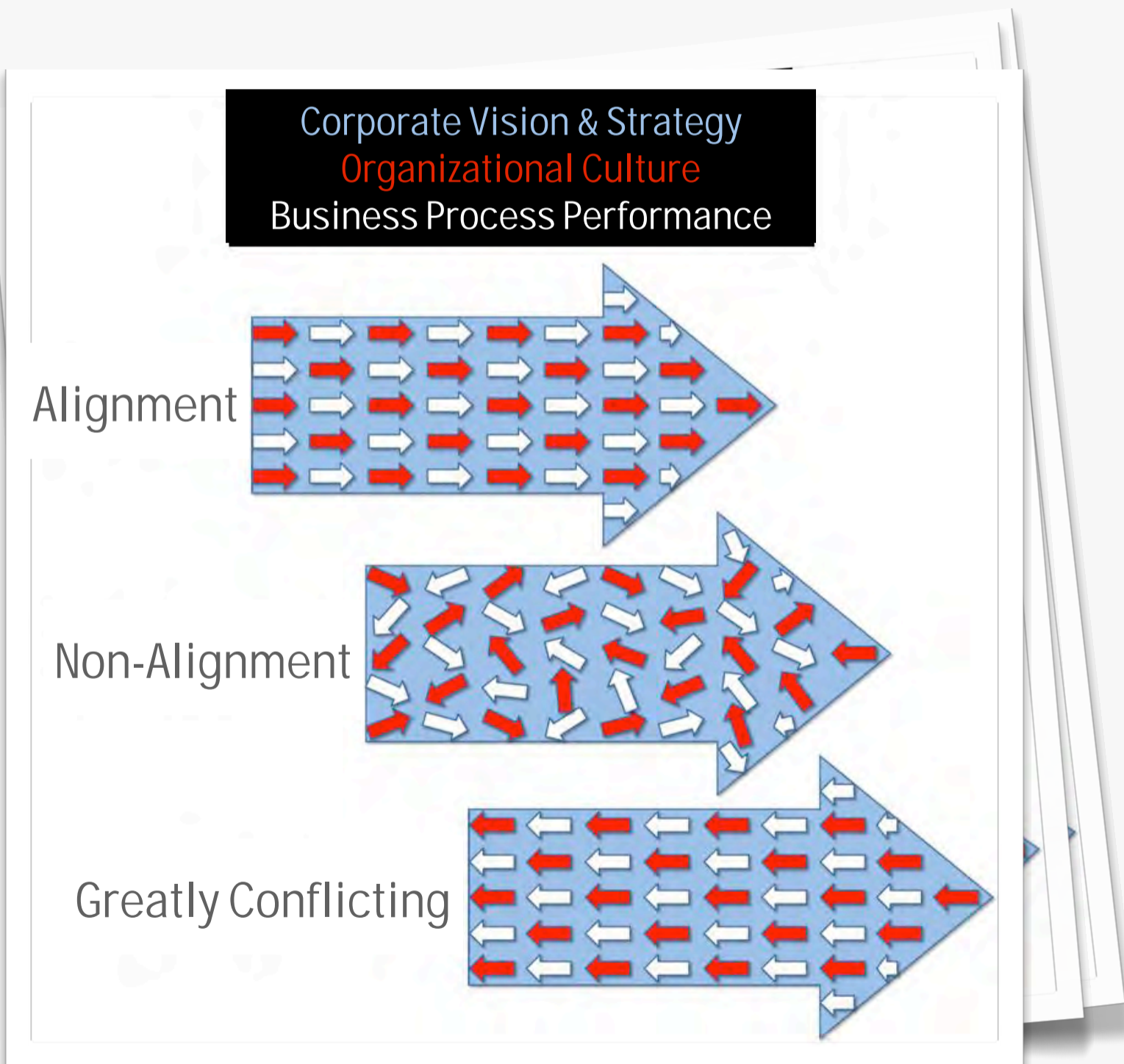
# MEASURING CASCADE EFFECTS RISKS

It would be wonderful if we could just plug a measurement device into an organization to check its health and risks of its cascade effects (**Figure 2**). The work culture defines how employees work with each other by means of communications, hand offs and levels of cooperation and efficiency. It generates multiple slow motion and rapid chain reactions, ripple effects and cascade effects that greatly affects the mood and attitude of the organization. It predestines an organization for success or failure.

How can we measure the health of invisible cultural chain reactions that can drive the success, mediocrity or failure of an entire corporation? I suggest a series of management and employee surveys and assessments using the 57 different elements of risk that can be present at any level in an organization. See my September article in QHSE for more details. These elements of risk can be identified with the following work culture assessment tools:



**Figure 2 - The challenge of measuring work culture health and risks**

- The 360 Organizational Risk Survey
- Pictorial Process Analysis
- Missed Opportunity Assessments and Recovery Plans
- Organizational Failure Modes and Effects Analysis
- Cascade Effect Maps

## THE ORGANIZATIONAL FORCE-FIELDS THAT DRIVE SUCCESS OR FAILURE

Chain Reactions, Domino Effects, Ripple Effects and Snowball effects are similar in that they are defined by the single acts that created them. Once triggered, they will play out their effects depending on the amount of resistance the system presents against them. Cascade Effects are different. They are fueled by a hierarchy of multiple interacting triggers at different levels in the system.  Time-delays between cause and effect are common, making the direct correlations between cause and effect more difficult to identify. Each element of the cascade effect can create dramatic outputs involving up to 3 degrees of separation, rippling through an organization. There are 3 types of organizational Cascade Effects:

- Destructive Tsunamis of taboo talk rules, non-cooperation and negativity
- Expanding groups of  status-quo herd followers
- Constructive waves of cooperation, empowerment, motivation and positivity

If all of the above mentioned Cascade Effects are present in an organization at the same time, the result will be conflict, employee frustration and lack of momentum in the right direction.  A random mix containing equal parts of

motivated, frustrated, positive and cynical employees co-located for 40 hours a week is not a formula for success; it is a recipe for mediocrity or even disaster.

## POSITIVE ORGANIZATIONAL CASCADES

These are acts of positivity that multiply and can also spread from person to person. In 2010, researchers from the Universities of California, San Diego and Harvard published the results from their experiments in an article titled: "Cooperative behavior cascades in human social networks".  They showed that cooperative behavior can be just as contagious as bad behavior. They showed that positivity can spread from person to person to person by displaying random acts of cooperation, generosity and other positive behaviors. This creates a cascade of cooperation that influences dozens of people who were not involved in the initial trigger event.

## MEDIOCRITY & CONSENSUS CASCADES

These cascades are the result of contagious personal decisions to blend in with the crowd and not make any waves (also known as "group-think"). Many researchers including those from the Department of Computer Science at Carnegie Mellon University have confirmed this phenomenon. Forces in organizations and society like peer pressure, blending in, the herd mentality and the band-wagon effect can cause an individual to follow the herd, even if it violates personal preferences and value systems of what is right and what is

09

wrong. This is often done to save one's group-reputation and gain acceptance from a certain group of individuals. Efforts to achieve" team consensus" can create the same phenomena, resulting in conclusions that might not always be the best ones. Teams can assign a "Devil's Advocate" role to a participant to deliberately challenge "herd-decisions" to counter this cascade effect.

In 2013, Forbes wrote an article titled: "Brainstorming is Dead…", which summarized recent criticism by many about how creative people can get suppressed by other personalities during brainstorming events when the main priority is to get consensus on all brainstorming conclusions. Forcing consensus decisions is as useful as it is dangerous. To avoid ineffective

and dangerous group-think cascade effects, group decisions should build on each other's ideas, when possible, to create innovative hybrid solutions and not pick one idea and totally discount another idea that might have a flicker of genius.

## NEGATIVE ORGANIZATIONAL CASCADES

These are acts of negativity that multiply and spread from person to person in an organization. Risky, combative and uncooperative behaviors all have the unfortunate ability to multiply and spread to 3 degrees of separation from the original act. This can have a negative impact on dozens and even hundreds

of downstream people not involved in the initial negative triggering acts. Negative inter-human interactions can break the bonds of humanity and teamwork. These cascades can destroy the work culture, effectiveness and performance of an entire organization.

## THE BROAD INFLUENCE CASCADES

Behavioral researchers have demonstrated with team experiments that Positive, Mediocrity and Negative Cascades can all impact 3 degrees of separation (friends of friends of friends). Other researchers and computer models have determined that only 3 to 4 degrees of separation is what separates everyone in the USA and only 6 degrees of separation separate everyone in the world. Exceptions to this rule are the secluded tribes in the Amazon jungle and other remote places. Yes, the world is smaller than we think and actions really do speak much louder than words. Actions and behaviors can impact beyond the horizon and into different time zones.

## THE 360 ORGANIZATIONAL RISK SURVEY

The 360 Organizational Risk Survey tests the health of chain reactions, cascades and other behavior propagation phenomena. The Survey has two parts. The first part is an anonymous pictorial employee and management questionnaire asking participants to rate the level of presence for the 57 different risks that can be present anywhere from the top to the bottom of the organization. The second part of the survey asks participants to assess the presence of positive and negative organizational forces shown in **Figure 6** by identifying the forces they believe to be present. This survey is given to all levels of employees and management.

**Figure 6** shown on the following page represents organizational Surveys used to assess the health of the work culture.

**Figure 7** shows an example of survey responses, using the form in Figure 6, that were attained from the 360 Organizational Risk Survey for 3 different levels in an organization: Top Leadership, Middle Management and Non-Management. One sign of healthy communications between management and employees is when organizational risk assessments are similar between different levels in the organization, which is not the case here.

In this survey response example, top leadership rated the health of the work culture as overwhelmingly positive (green). They perceived their environment to be a Grand Organization in the making. Unfortunately, Non-Management employee responses to this survey were at the opposite end of the scale (red). They rated the forces in the organization as overwhelmingly negative, filled with high risk and knocking on the door of a Grand Disaster. Middle Management rated the work culture as mediocre (yellow) with some responses slightly positive and others slightly negative. This group of employees was apparently influenced by perceptions of top leadership and non-management.

# ORGANIZATIONAL FORCES THAT AMPLIFY THE CHANCES OF SUCCESS OR FAILURE

## The Path to Greatness

**Positive Cascade Effect** triggered by multiple interacting best business practices, behaviors and attitudes at different levels & successive stages in an organization

**Virtuous Circles with positive effects and reinforcing feedback loops,** such as soliciting and acting on open and honest communications and seriously working according to sensible organizational core values

**Random and repetitive acts of goodwill:** motivation, rumor busting efforts, total honesty, professional generosity, empowerment, cooperation, mentoring, respect, integrity, meaningful communications and other acts that have positive consequences

+ Contagious Virtues Effect    + Domino Effect    + Ripple Effect

+ Chain Reaction    + Attitude Cascade    + Snowball Effect

## Mediocrity

Herd Mentality    Comfort Zone    Blending in    Stuck in a Rut

Path of least Resistance    Don't make Waves    Going nowhere fast

Stalemate    Creatures of Habit    Status Quo    Go with the Flow

- Contagion Effect    - Snowball Effect    - Domino Effect

- Chain Reaction    - Attitude Virus    - Ripple Effect

## The Road to Ruin

**Random and repetitive motivation-killing acts of:** Blame-gaming, rumor generation, non-cooperation, disrespect, low integrity, cynicism, flawed priorities, big lies and other acts with negative consequences

**Vicious Circle and Downward Spiral with negative reinforcing feedback loops,** such as taboo talk rules, a dysfunctional work culture, inefficient processes, etc., which creates an escalation of negative effects

**Negative Cascade Effect** triggered by multiple interacting undisciplined and ineffective business practices, behaviors and attitudes at different levels & successive stages in an organization

---

**Grand Organizations in the making**

Multiple linked positive inputs spread to 3 degrees of separation

Individual positive inputs spread to 3 degrees of separation

**The Neutral Zone between Success & Failure**

Individual negative inputs spread to 3 degrees of separation

Multiple linked negative inputs spread to 3 degrees of separation

**Grand Disasters in the making**

---

**Figure 6** - This is one of the Organizational Surveys used to assess the health of the work culture.

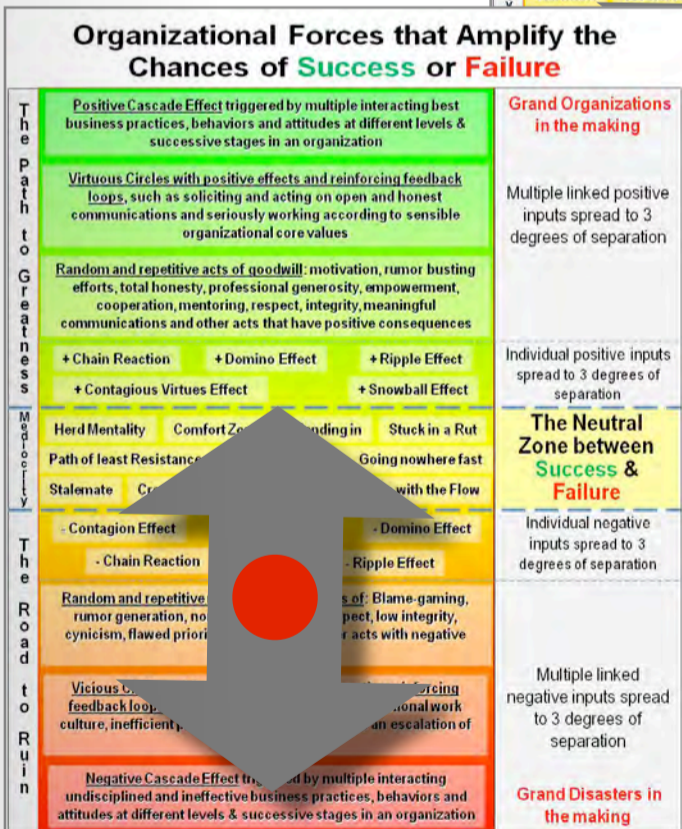## Top Leadership

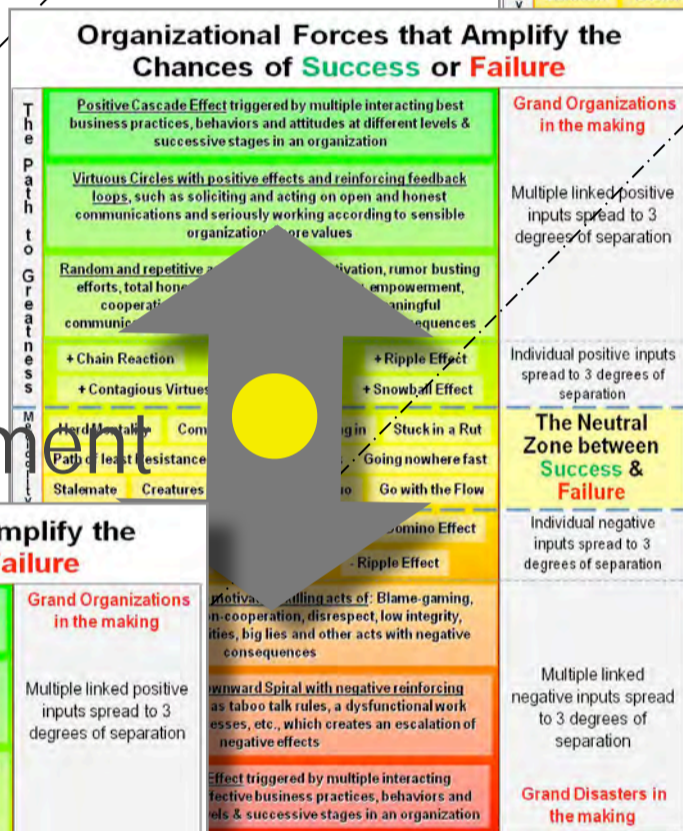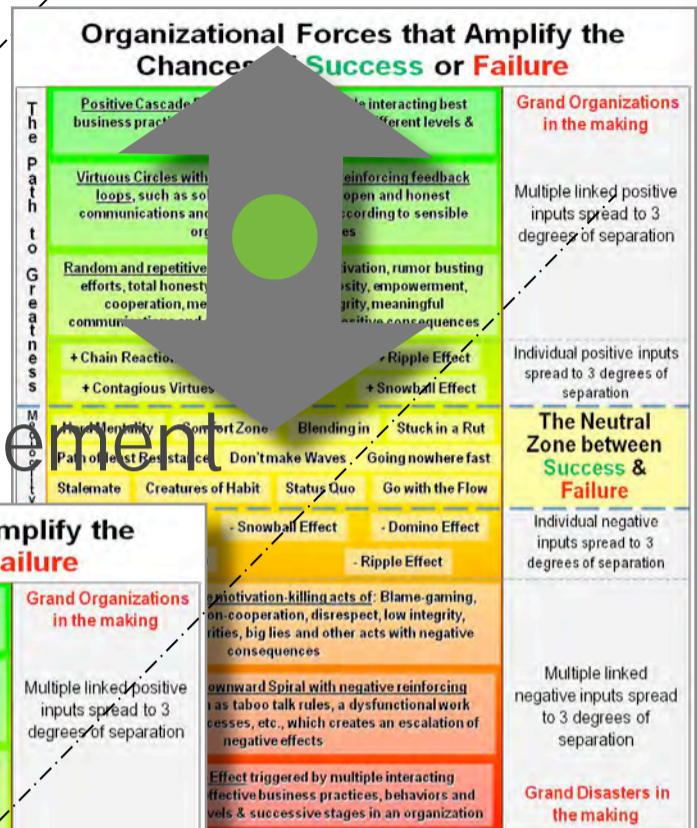## Middle Management

## Non-Management

**Figure 7** - The range of survey responses from various levels in this organization shows major discrepancies in their perception of the health for the organizational work culture.

# CONCLUSION

Grand investigations are often done after a loss of life disaster occurs, such as a NASA Space Shuttle disaster, a passenger airplane crash or an accidental employee death on the job. However, it is hard to find this level of effort and analysis applied to prevent such disasters. Deep and thorough disaster investigations often find flawed undisciplined leadership practices and organizational cultures at the root of the problems. It is also common to discover a zealous ambition to grow the business without really ensuring that a healthy work culture foundation is put in place to safely support such expansion.

Huge opportunities for organizational productivity improvements still exist today by cultivating a high performance work culture. Breakthroughs can be made when organizations appreciate the fact that "Culture eats Strategy for Breakfast", which was a phrase coined by Peter Drucker, a famous management consultant, educator and author. True organizational Greatness can be achieved when organizations look beyond trying to just manage the "bottom line" and learn how to manage, analyze and monitor the cultural forces and cascade effects that drive success or failure.

A Grand Vision and Strategy can only revolutionize a company when the work culture is healthy, engaged and aligned with those concepts. Taboo talk rules must be broken. Open, frequent and candid communications must exist between all levels in the organization. Employee raised issues and concerns must be addressed in a timely manner as proof that a functioning communication and countermeasure system are in place. Only then can an organization really have a chance to break its self-inflicted Barriers to Greatness.

## ABOUT DAVID PATRISHKOFF

David Patrishkoff is a Lean Six Sigma Master Black Belt and expert problem solver. He is President of E3 - Extreme Enterprise Efficiency® LLC, a management consulting and training company that he founded in 2001. In 2013, he also founded The Institute for Cascade Effect Research™ (ICER), an organization dedicated to the study of complex organizational Cascade Effects that holds companies back from Greatness. He has trained over 3,000 professionals in advanced problem solving topics and regularly helps customers solve mission critical problems that their own experts cannot solve. Dave's efforts have greatly benefited his clients from over 55 different industries worldwide. Prior to his full-time consulting career, Dave held various senior worldwide executive positions. He has a patent pending for a gamified business improvement process based on unique decks of cards, learning games and unique pictorial tools, which identify organizational cascade effect risks.