

**Chapter 8**  
**Why Some Enterprise Improvement Models**  
**Have More Lasting Effects Than Others**

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## CHAPTER EIGHT

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# WHY SOME ENTERPRISE IMPROVEMENT MODELS HAVE MORE LASTING EFFECTS THAN OTHERS

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Wendell C. Brase

Brase presents a model for effecting behavioral change leading to improved organizational performance that can be sustained over time. The model is based on empirical research showing that the primary role of effective managers is to foster workplace respect, which enables workplace cooperation, which in turn yields organizational performance. Brase's research indicates that key managerial behaviors—including the ones that seem more like traits than acquired skills—can be codified, measured, and learned.

Many process improvement models are behaviorally naive—heavy on the rhetoric of “teamwork,” “empowerment,” “new paradigms,” and “accountability” but lacking insight into workplace belief systems, values, motivations, and disincentives that underlie the behaviors targeted for change. Some management change programs are precise and detailed about process redesign methods but vague and conceptual about behavioral dynamics. Sometimes they express behavioral expectations through new jargon or preachy admonitions, both readily construed by employees as “you’re not doing it right.” These actually *thwart* lasting change, although people may wisely adopt the new parlance rather than appear out of step with the change program. Such models are unsophisticated about how to stimulate fundamental, *sustainable* change in the way an enterprise does its business.

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## Too Many Good Ideas

The decade extending from about 1985 to 1995 saw a plethora of popular management books that advocated a variety of dogmas. Managers were urged to promote teamwork through reward systems and new organization forms, to pay for performance, to train managers and staff in total quality principles, to deploy cross-functional teams to reengineer core business processes, to return to value-based management fundamentals, to adopt the Baldrige criteria, to foster and reward continuous improvement, to implement balanced scorecards, to derive and use customer-driven performance measures, to benchmark these measures, and to employ all these strategies while downsizing, outsourcing, simplifying, and producing just-in-time results. No manager could employ *all* these programs without a large staff and an ample budget. Some management improvement programs that advocated simplification, streamlining, clarity, and accountability became obese, rigid, and even bureaucratic, violating their own precepts. The streamlining agenda needed a dose of its own medicine, although most enterprise improvement programs did not contemplate that improvements might need to be reflected back on the program methodology itself.

Moreover, conscientious managers had little objective information to enable them to choose from an array of rapidly promulgated ideas. Most “new ideas” in management were backed by little verifiable data demonstrating their efficacy. Many ideas were superbly presented not only in print but also by consultants who polished and added pricey legitimacy. Most new methods were promoted without attacking other strategies but with a dogmatism that implied the superiority of new theories over their antecedents and competing models. Anecdotal evidence was used to extol new methods of organizing, managing, and rewarding people, buoyed by rising (warranted) optimism about the productivity and international competitiveness of American industries. However, the individual manager had insufficient evidence about the relative effectiveness of various improvement programs to enable an informed decision about where best to invest limited time. Which tools would lead most efficiently and assuredly to improved enterprise performance?

In fact, many of the enterprise improvement programs that surfaced (or *resurfaced*) in the past decade were unvalidated models. They may sound sensible and appear to yield measurable benefits, but there is limited evidence—in terms of systematic cause and effect—to link management actions with desired group behaviors (such as teamwork, collaboration, and information sharing) or with overall organizational performance.

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## The Irvine Management Change Model

The University of California, Irvine's "Model for Sustaining Administrative Improvement" (<http://www.abs.uci.edu/depts/vcabs/toc.html>) was similarly unvalidated. This program—recognized by the National Association of College and University Business Officers (Higher Education Awards Program first prize, 1996), by *USA Today* (1998 Quality Cup Award), and by a 1997 CAUSE (association for managing information resources in higher education) Best Practices Award—produced numerous process improvements and productivity results. However, no statistical evidence demonstrated that the program's normative elements correlated with desired organizational performance or with long-term change in the "administrative culture."

As a program dedicated to sustained, rather than episodic, improvement, UC Irvine's Model for Sustaining Administrative Improvement contained distinct, value-based behavioral components. These elements were considered necessary to change the patterns of a bureaucracy through altering the dynamic of values, expectations, rewards, disincentives, and belief systems that define and perpetuate the administrative culture of an institution.

The Irvine model contains explicit normative elements in three areas:

- *Teamwork principles*, increasingly needed as the organization becomes less hierarchical and more networked, wherein process improvement becomes increasingly cross-functional
- *Simplification goals and principles*, designed to counter the inherent tendencies of a bureaucracy to add systems, program-variants, controls, specialized policies, and layers of complexity
- *Effectiveness principles*, comprising quality criteria expressing accountability and performance values that differ sharply from prior shared beliefs, conventional wisdom, and bureaucratic patterns

These principles are intentionally crafted to alter values and status quo behaviors that have become comfortable. Bureaucracies' internal dynamics create strong drives to preserve or return to status quo conditions in the face of change. These dynamics, rooted in rule-making and enforcement behavior, are typically entrenched because status quo practices embedded in policy allow accountability and responsibility to be comfortably fragmented in ways that are "safe." Such a system is stable and predictable in its behavior, yet is inefficient when conditions shift and unresponsive when change is needed.

### Individual, Group, and Supervisor Performance Expectations

The Irvine Model for Sustaining Administrative Improvement expressed normative behaviors for individuals, teams, and supervisors. Teamwork, simplification, and effectiveness principles and values were taught in workshops, incorporated in performance evaluation criteria, expressed in organizational goals, rewarded through incentive compensation, acknowledged through publicity and internal recognition, operationalized through delegated authorities, measured in numerous ways, and embodied in guidelines that were posted in the workplace. Systems, policies, and practices that ran counter to the model's normative elements were dismantled or changed.

Since an administrative culture derives, in part, from workplace values, beliefs, expectations, and rewards that are embedded in human resources policies and practices, human resources programs were addressed early, as a foundation element in the model. For example, classification of management positions had rewarded bigger budgets, hierarchical layering, and organizational complexity. Analysis also revealed that some managers were reluctant to pursue downsizing, restructuring, or outsourcing due to classification disincentives or concern about the university's (prior) mediocre track record in reemploying displaced staff. Finally, performance evaluation did not reinforce team behavior, innovation, and process streamlining to the extent needed for consistent support of campus administrative improvement goals. Therefore, as foundational elements—due to their precursor role—a reemployment program was instituted to enhance placement opportunities for laid-off staff, a “size-neutral” position classification system was introduced (removing such factors as number of staff, size of budget, and number of reporting levels below a position under consideration), and the performance evaluation form and incentive award program were revised to emphasize process improvement, innovation, and teamwork.

The Irvine Model for Sustaining Administrative Improvement included goals for reduction in the number of administrative systems and system-variants, productivity targets in four service units, goals for benchmarking and importing exemplary practices, and customer-driven performance measures. Implementing the model required process improvement projects throughout the organization. Teamwork was essential, in terms of both team-based problem solving and team behavior in everyday cooperation.

The envisioned organizational effectiveness was rooted in shared values characterized by particular desired patterns:

- No one is rewarded for (intentionally) looking good at the expense of another. Team players are committed to each other's success.

- Teamwork requires willingness on the part of individuals to enter into interdependencies involving risk, which require a foundation of trust. Supervisory practices, rewards, recognitions, and performance measurement systems must not undermine interdependencies or trust between individuals.
- Innovation requires open debate about many “wrong” ideas. Complex process redesign starts with creative chaos and early mistakes in order to avoid *late-stage* errors. Management must make it comfortable to be “wrong” at the beginning of problem solving.
- Teams are empowered to solve problems (rather than merely *advise* a manager’s solution).
- Respect for facts, data, and objective analysis fosters teamwork. People are more willing to create interdependencies involving trust and vulnerability when they feel that facts and neutral data are valued.
- A less authoritarian hierarchy reduces the risk-exposure of competent individuals, enabling them to enter into interdependencies because their ideas can be expressed through fewer layers that might involve filtering or inadvertent distortion. Misunderstandings can be corrected more readily in a less hierarchical organization.
- Interpersonal problems are resolved effectively—limiting the degree to which they undermine teamwork by distorting perceptions of others’ motives, which tends to occur when stakeholders struggle with change.
- Supervisors and coworkers value innovation, continuous improvement, and a willingness to question and improve on the status quo.

These values and desired dynamics were operationalized into eleven normative workplace patterns that could be stated as simple performance expectations, fostered through training, included (to varying degrees) as performance criteria in evaluation tools and reward systems, and measured through employee surveys:

1. People who seek better methods are respected and rewarded.
2. People experience a climate of mutual respect in the workplace.
3. Groups value member suggestions, including ones that are initially “wrong.”
4. Coworkers produce ideas that help solve problems when they surface.
5. Problems with the way the group does its work are faced and addressed.
6. Members can criticize the way the work group functions without penalty.
7. People can discuss problems without fear of looking stupid to coworkers.
8. Interpersonal conflicts are addressed and resolved in the work group.
9. Differences of opinion about how to get the job done are discussed openly.

10. Differences of opinion about how to get the job done are resolved using facts.
11. Everyone shares responsibility for the results of group tasks (not just the supervisor or a few key participants).

### Do Management Behaviors Affect Teamwork and Cooperation?

A number of supervisory behaviors and values were articulated in the model because they were expected to reinforce the desired organizational performance, as discussed above. These were expressed as performance expectations and incorporated into performance evaluations, reward criteria, management development workshops, and stated objectives. Although these performance expectations were considered worthwhile on their own merits, it was important to discover whether they reinforce teamwork, problem solving, and organizational effectiveness.

In order to research this question, employees were surveyed across the administrative services organization of the University of California, Irvine. They evaluated their work groups in terms of the patterns, behaviors, and values highlighted above, and evaluated their supervisors in terms of numerous traits and behaviors. This survey has been administered three times over the past three years, with response rates ranging from 51 to 70 percent.

**Management Effectiveness Model** Analysis of survey responses revealed very strong correlations between many management behaviors and organizational effectiveness, and with desired group patterns of open communications, trust, and collaborative problem solving. Further analysis (with the assistance of the UC Irvine Center for Statistical Consulting) suggested a multistage causal model of the structure shown in Figure 8.1.

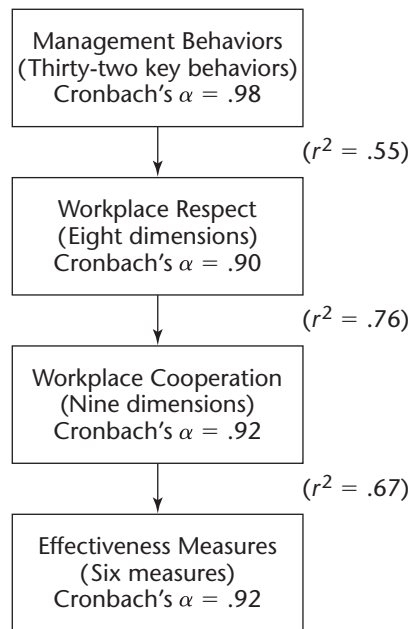
The management behaviors that evidenced strength in this model fell into four general categories.

First, supervisors are ethically and emotionally consistent. They

- Model behavior they expect from others
- Communicate honestly with employees
- Keep promises and commitments to employees
- Make important decisions based on the organization's best interests
- Act in ways that build employees' respect
- Base their actions on a consistent set of principles
- Earn employees' trust

Second, supervisors communicate respect for employees. Supervisors

- Communicate clear expectations
- Trust subordinates' judgment
- Take time to listen and understand employee views

**FIGURE 8.1. MANAGEMENT EFFECTIVENESS MODEL**

$N \cong 175$  (varies based on questions' response rates)

- Help employees understand “the bigger picture”
- Show respect when communicating
- Care about employees as individuals
- Involve employees in developing objectives, performance measures, and plans
- Do *not* gain advantage by holding back information
- Do *not* make employees feel stupid when they disagree

Third, supervisors accept responsibility and act on it, in that they

- Take steps to improve bad interpersonal relationships
- Accept constructive criticism without becoming defensive
- Reward the best performers
- Make good decisions despite incomplete information
- Admit mistakes and move on
- Separate vital tasks from less important ones
- Do the most important tasks first
- Accept responsibility if things go wrong, rather than blame others

Fourth, supervisors are open-minded and are team players. Supervisors

- Work well with their peers
- Support equal opportunity
- Seek a range of views when solving problems
- Value perspectives from people of diverse backgrounds
- Tend to find win-win solutions
- Encourage employees to surface problems
- Will praise an effort that was promising even if it failed
- Do *not* make some people look good at others' expense

The workplace respect measures included:

- People who seek better ways of doing things are respected and rewarded
- Members can criticize the way the work group functions without penalty
- People can discuss problems without fear of looking stupid to coworkers
- Coworkers experience a climate of mutual respect
- Coworkers recognize and accept each other's strengths and weaknesses
- Coworkers share leadership responsibilities and often hand off leadership roles
- Work groups face and attend to problems with the way work is performed
- Coworkers address and resolve interpersonal conflicts

The workplace cooperation construct comprised:

- Groups value members' suggestions, including ones that are initially "wrong"
- Coworkers produce ideas that help solve problems
- Everyone shares responsibility for team results
- Groups experience *fewer* interpersonal problems when stressed
- Work group members share a common set of work goals
- Work group members share the same standards of effectiveness
- Work group members share values of service, quality, and excellence
- Coworkers share expertise when confronting a new problem
- Work group members are unconcerned about whether tasks are distributed equitably

Finally, effectiveness measures encompassed:

- Work groups tackle problems *before* complaints are received
- Work groups continually improve practices, productivity, and effectiveness
- Work groups are committed to meeting customers' needs

- Work groups rate themselves as efficient and productive
- Work groups rate their quality and productivity “usually very good” or “consistently excellent”
- Work groups report that customers rate their performance “usually very good” or “consistently outstanding.”

### The Value of Coherence Within Variable Constructs

The constructs of management behaviors, workplace respect, and workplace cooperation variables are tightly clustered, with strong intercorrelations ( $\alpha > .90$ ). This suggests that employees view these variables as part of a coherent experience.

*Consistency and coherence* are essential attributes of any management change model that aims to change an administrative culture. When people sense even the slightest inconsistency in the new rules of the game, they retreat to the safety of status quo behaviors. Coherence calls for a complete, integrated set of goals, foundations, and tools. Coherence in a management change model means that no essential pieces are missing and that all components of the model—symbols, premises, implicit values, rewards, communications, improvement tools, and protocols—are painstakingly consistent, with no mixed messages. The reliability coefficients that characterize the model’s constructs provide evidence of consistency and coherence.

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### How to Interpret This Model

The management change model diagrammed above is remarkably simple, and its interpretation is therefore straightforward. Although correlation analysis does not enable the assignment of predictive or causal arrows, they are hypothesized as follows: management behaviors provide the *foundation* (or lack thereof) for workplace respect; this cluster of measures is, in turn, the precursor to workplace cooperation, which then leads to effectiveness measures. The primary effect of management behaviors is on workplace respect, which appears to *enable* workplace cooperation, which then yields team-based performance.

The model demonstrates the foundational role of management in enabling teamwork and collaboration, since certain supervisory behaviors are essential to foster workplace respect—the necessary precursor to patterns of workplace cooperation. The model reveals a singular, critical-path linearity; partial correlations of other possible relationships approach zero. Analysis of the “third generation” survey instrument (for which preliminary results were presented in September 1999 at the Forum for the Future of Higher Education) reveals that as few as twenty key management behaviors may provide a strong prediction of workplace respect.

This model demonstrates that supervision can do little to influence *directly* workplace cooperation or performance. Rather, the main role of the effective supervisor is to excel in the behaviors that lead to workplace respect—the foundation on which desired organizational patterns and, ultimately, team-based performance critically depends. These behaviors can be improved through goal setting, measurement, and feedback.

### **Can High-Performance Teams Emerge Without Supervision?**

A popular management belief suggests that teams, provided with appropriate resources and empowered by the authority to solve problems as needed to pursue an understood mission, can develop effective patterns with little supervisory influence. This view is heralded as “the organization of the future” by proponents who extol its value in enterprises that must meet rapidly changing market demands through teamwork, collaboration, and information sharing. However, the Irvine model demonstrates the foundational role of supervision in *enabling* teamwork, collaboration, and information sharing, since the key supervisory behaviors are essential to foster workplace respect—the necessary precursor to these patterns of workplace cooperation.

### **Are These Management Behaviors Innate or Learned?**

Are the management behaviors that enable teamwork and team performance learned skills or personality traits? The evidence from UC Irvine is that these behaviors are not inborn, because managers improved significantly when provided with data indicating how supervision was perceived with respect to the key behaviors:

- By their employees in the immediate unit
- In comparison to other units’ supervisors
- In relation to organization-wide goals for each measured behavior

Managers were assisted by a consultant to improve in areas where they scored below average or below the goal for a desired behavior. The excellent results—significant improvement overall across all measured behaviors—suggests that codification of performance expectations, measurement, feedback, and goal setting had led to learning and improvement. (Whether a Hawthorne-like effect could explain such consistent, widespread, measured improvement appears doubtful.) The conclusion is that these key management behaviors—including the ones that seem more like traits than acquired skills—are *learned*.

## The Value of a Behavioral Model

Managers need to base their actions on a valid model of what employees believe and value and how they can be motivated, especially when innovation and improvement are needed by the enterprise. Intuition and common sense do not consistently provide complete and reliable management insights. For example, without an empirical model, would it be obvious to a manager that expecting and rewarding behaviors in the workplace cooperation construct might prove futile unless he or she evidences behaviors and qualities that (first) foster workplace respect? Without the model, would it be apparent that teamwork is unlikely to develop in the absence of mutual respect in the workplace? These observations may seem intuitive and obvious once revealed by the model, but these causal links are weakly developed in many improvement models.

A validated model provides some assurance that the organization is not rewarding the wrong behaviors, incentivizing the wrong values, or conveying the wrong expectations or conflicting messages. Whether intrinsic or explicit, every improvement protocol embodies a model of how people in a workplace lead, follow, solve problems, and communicate. Moreover, all improvement programs contain inherent values—about what *forms* of leading, following, solving problems, and communicating are expected, tolerated, rewarded, or praised.

The management behavior factors in the model, the workplace respect variables, and the workplace cooperation patterns are worth measuring, adopting as performance goals and expectations, valuing in mission statements, reflecting in unit performance objectives, evaluating in individuals' performance appraisals, incorporating in workshops and training, and rewarding through formal and informal systems of recognition. These behavioral foundations balance and complement (rather than supplant) the “technical” features of a management change model. This balance is important to stimulate *sustainable* change. The most effective technical tools—process redesign techniques, design principles, customer satisfaction and performance measurement systems, benchmarking, and quality standards—become ineffectual unless they are balanced by behavioral elements centered around employee beliefs, values, rewards, incentives, and disincentives (of which many characterize the “informal organization” more than the formal organization).

The worth of a validated model stems from its likely effectiveness in stimulating improved enterprise performance as the values, expectations, and normative behaviors it embodies are fostered. Variables with little predictive value in the model can be essentially ignored, enabling limited resources to be concentrated on the factors that will most likely produce results. In a workplace with limited time and other resources to invest in improvement, especially given the imperative of

uninterrupted production, the most efficient management change model is the leanest, simplest one. Moreover, overly complicated management change models are likely to contain inconsistencies and incoherent, mixed messages.

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### If You Adopt (All or Part of) This Model

The Irvine management change model illustrates how organizational change in the critical areas of workplace respect and cooperation start from a foundation of distinct management behaviors that can be codified as performance expectations. Do not attempt to implement this model without adopting these (or very similar) explicit supervisory and team performance standards, as well as measurement and reward systems to support new performance expectations.

Before implementing this (or any) behavioral model, examine the underlying and inherent values in order to determine whether they are valid in your organization, or your *envisioned* organization. Every behavioral model contains embedded values (whether expressed or not) that will undermine implementation if they clash with mixed messages from other behavioral systems, such as the human resources system (as discussed earlier). Inherent values need to be made explicit and evaluated systematically for both validity and consistency.

It may not be necessary to adopt a management change model as comprehensive as the UC Irvine Model for Sustaining Administrative Improvement. This model's subset of value-based supervisory, cooperation, and respect expectations can be experienced consistently and coherently—as necessary for *sustainable* change—if integrated into performance objectives, performance evaluations, incentive programs, training workshops, measurement systems, recognition and reward systems, and stated goals for the enterprise. At its simplest, the supervisory effectiveness model explained above can be implemented by (1) measuring supervisory behaviors that foster respect in the workplace, (2) determining whether these behaviors lead to cooperation-based outcomes, and (3) if validated, providing data to supervisors and work groups to foster learning and performance improvement.

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### Sustainable Improvement

*Sustainable* change requires an empirically validated model that is:

- Balanced, with complementary behavioral and technical tools
- Consistent with (other) belief and value systems of both the formal and informal organization

- Internally coherent, with no conflicting elements that might trigger a retreat to status quo patterns
- Capable of providing clear information about the behaviors that can be improved through measurement and feedback

Models that fall short of these fundamentals or that fail to engage and influence employee belief systems about what is expected, tolerated, rewarded, respected, and considered effective may stimulate positive change but will be short-lived.

Sustainable improvement in enterprise performance patterns requires consistency and coherence in value systems and in all related reward systems because, until new behaviors are embedded in shared values, they are vulnerable to status quo reversion. This is one reason why some enterprise improvement models have more lasting effects than others. The other reason is that many improvement programs—including ones that have the wrappings of sophistication—lack an underlying, empirically validated behavioral model that counterbalances their technical features and *engages* (not merely explains) the dynamic of values, expectations, rewards, disincentives, symbols, motivations, and beliefs that affect individual and team effectiveness.

