Cure the (Self-Inflicted) Chaos First

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More than 80 percent of improvement efforts fail to make a discernible difference in overall business performance, regardless of the improvement methodology in use.

The reason isn't a flaw in the methodologies, but a flaw inside of companies. Organizations in all sectors fail to meet their full potential because of self-inflicted chaos. I'm not talking about acute cases of chaos brought on by external events over which a company has little control, such as sudden supply chain disruptions, new regulations, or economic downturns. I'm talking about chronic long-term chaos brought about by ambiguity, lack of focus, and inconsistency— habits and behaviors that organizations can control but choose not to.

Self-inflicted chaos is an insidious disease that must be addressed before any meaningful improvement in performance can be achieved. Self-inflicted chaos results when employees have a vague or contradictory understanding of the organization's mission, goals, or the customers it serves; it results when leaders reorganize the company frequently or switch staff and funding to new priorities before the old ones have been accomplished; it results when employees use different terms, processes, and tools to complete the same task.

Chaos inserts hairline cracks into an organization's foundation. Left unchecked, the cracks widen and the foundation weakens further. Chaos robs organizations of the solid footing they need to innovate and respond to the marketplace's ever-increasing demands for faster, better, and cheaper. It sabotages a company's ability to provide greater customer value, satisfy stakeholders, reinvest in the organization, and offer a work environment that doesn't break employees' spirits. The reason why Lean, Six Sigma and other performance improvement methods fail to deliver as promised is that companies are trying to build high-rise structures on unstable foundations that can't support them. It doesn't matter which type of building material you use. The house will eventually fall.

To repair the cracked foundation, companies first need to recognize chaos for what it is: dysfunctional habits that can and must be broken. Chaos often becomes so much a part of an organization's psyche that people fail to view it as an anomaly; they come to believe it's an unavoidable condition of doing business. It isn't. To accomplish real change, organizations must recognize chaos as the self-inflicted condition it is, and take steps to eliminate it by addressing the root causes for it. Trying to end chaos in any other way is akin to "managing" a lifestyle disease with medication without changing the behaviors that caused the disease in the first place. Medication may minimize the daily effects of the disease, but the patient won't get better.

Companies are in the same spot unless they address the root causes for chaos. They need to recognize that they've fallen prey to chaos because they haven't recognized or haven't stayed true to the fundamental behaviors that are vital for outstanding performance in any endeavor— whether business, sports, the arts, science, law enforcement, or the military. These behaviors are **clarity, focus, discipline, and engagement.** The opposite behaviors—ambiguity, lack of focus, inconsistency, and disenfranchised workers—are the root causes for the cracks in the foundation. Building a robust foundation requires the systematic replacement of performance-eroding behaviors with performance-enabling ones.

Clarity is the most fundamental of the four and is the toughest nut for many organizations to crack. Clarity refers to information and communication that is relevant, unambiguous and honest. It ranges from being clear about an organization's purpose and goals, or about a particular problem that needs to solved, to being clear about customer requirements and performance expectations. Clear information is presented in the simplest possible terms and reflects the true condition of what it addresses. While seeking and communicating the truth is at clarity's core, truth-telling is often discouraged in both tacit and explicit ways, often due to fear. In a fear-based environment, data doesn't represent reality, problems remain hidden, and people take the wrong action (or no action) based on unclear information.

Lack of clarity takes a significant toll on organizations. In my mind, its most damning effect is that it erodes trust. Organizations thrive when there is consensus among its employees about what is important, but it is hard for people to get behind an idea if they can't be sure they are getting the whole picture. The problem escalates when companies intentionally mislead employees or withhold information.

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For example, a cash-strapped client of mine didn't want to tell its employees that the purpose of an improvement effort was to create process efficiencies to reduce the need for paid overtime. Their fear: mutiny by employees who had grown financially dependent on the additional income. And yet the company was expecting those same employees to contribute their expertise and creativity to create process efficiencies. Withholding the truth is not only disrespectful; it's impossible for people to accomplish objectives that they aren't privy to. While telling the truth may be difficult, difficulty trumps deceit any day of the week. Operating in any other way destroys any sense of teamwork and loyalty to the company.

Lack of clarity also affects organizations in more tangible ways. The average manager spends at least 15 minutes a day seeking clarification about conflicting goals and priorities, unclear customer requirements, what a sugar-coated message really means, data that doesn't reflect reality, confusing terminology, unclear roles and responsibilities, and the like. Over the course of a year, a "mere" 15 minutes a day translates into 66 hours of nonproductive and frustrating activity. That conservative estimate equals 1.7 wasted business weeks a year for every manager in an organization. Imagine what companies could accomplish with all of the freed capacity once they replace ambiguity with clarity.

Focus is the second fundamental behavior that's an essential antidote to chaos. Focus is the ability to stay the course and avoid the distractions that divert people's attention to lower priority activities. When individual contributors and work teams switch back and forth between tasks, projects, or organizational priorities, they waste significant time and insert stress, frustration, and unnecessary conflict into the process. The chaos produced by a lack of focus slows progress and drains a company's leaders and workers of the energy they need to solve an organization's most pressing problems and to continuously improve how they deliver value.

The common tendency to want to do it all and do it all now is counterproductive. Individuals and organizations that slay the lack-of-focus dragon are able to accomplish at least 20% more

work in a given time period by reducing the frequency of switch-tasking, inserting calm and order into an otherwise chaotic environment. For example, a client had a habit of attempting 40-50 key projects in given year. Year after year, they were unable to complete even a fraction of their plan. Now, after committing to breaking their habit of shifting priorities and reducing their list to 20 key projects, they're on track for completing all 20. And the leadership team and workers alike report that they are less stressed, more productive, and more innovative owing to greater focus.

The third chaos-reducing behavior is **discipline:** consistent action that generates higher quality and more predictable results. And yet many businesses behave as though they don't need to have established methods and defined processes for achieving their goals; they act as if practice—deliberate, repetitive action that produces continuous improvement and predictable results in nearly every other endeavor—doesn't apply to them.

In some cases—here comes fear again—companies incorrectly associate discipline with rigidity and bureaucracy, which are undesirable behaviors in a marketplace that increasingly demands agility and flexibility. Discipline doesn't mean rigidity. No one would define Meryl Streep's performances as rigid and predictable, and yet her disciplined approach to her craft is legendary. In fact, building high degrees of discipline into how one operates creates greater flexibility and the ability to adapt and respond quickly.

Organizations that lack discipline—in how they operate daily, solve problems and make improvement—contend with too much internal chaos to be as nimble as today's business conditions require. Instilling a disciplined approach for everything, from managing processes and obtaining customer requirements to holding meetings and delivering feedback, is a necessary condition for reducing counterproductive chaos. Operating with defined processes that are continuously improved—and adjusted when needed to meet changing conditions—infuses predictability into an otherwise chaotic work environment. Greater predictability enables better decisions and better performance.

The last foundational business behavior is **engagement.** Engaged employees are more innovative and more invested in a company's success. Engagement results when organizations take active steps with its employees to foster connections to its purpose, customers and organizational goals; to hand over control of appropriate aspects of the work environment and; to utilize the employees' creative and intellectual capacity in a way that benefits the organization, its customers, the employee, and society as a whole.

It's impossible to significantly improve business performance without the full engagement of the people who do the work and—directly or indirectly—deliver value to an organization's customers. Fully engaged workers are present, driven by a need to achieve a defined end, and possess the necessary skills to do so.

Businesses often believe that the ticket to achieving greater levels of engagement lies in providing flexible work hours, profit-sharing, and other such perks. While those environmental attributes may be desirable, they are by no means the way to peoples' hearts and minds. Engagement comes from establishing a work environment where people get their key emotional, creative, and intellectual needs met much of the time.

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The single best means to achieve all three ends is to deeply engage the workforce in managing the business, solving problems, and continuously improving. This is why employees "come alive" to such high degrees during team-based rapid improvement activities where they're able to connect deeply with organizational goals and each other, use their creativity to solve problems, and gain a degree of control over their work as they themselves design how the work will be done. Yet all too often these tasks are relegated to leaders, improvement professionals, and/or business management consultants, none of whom are the experts on how work gets done.

Reducing chaos requires a firm commitment to the four behaviors of clarity, focus, discipline, and engagement. While each of these behaviors is multi-faceted and there are many areas that require adjustment in order to achieve them, organizations need to start somewhere. For each behavior, there is one essential first-stage action that will create the momentum for continuing the work of repairing the cracked foundation:

1. **Clarity** | Leaders must become extremely clear about the organization's key goals and every single worker needs to know what they are (and, ideally, have participated in setting them). The goals need to be specific; "improve margins" or "grow market share" isn't helpful.

2. **Focus** | Ruthlessly prioritize the work that's needed to achieve the goals, stop doing everything else, and reduce the number of active projects at any given time. Create a firm plan that is revisited frequently.

3. **Discipline** | Know what your key processes are, write them down and designate a skilled process owner close to the work to lead continuous improvement efforts.

4. **Engagement** | Provide daily opportunities for the workers themselves to improve how work gets done. Don't rely solely on improvement staff, consultants, or formal improvement projects.

The above suggestions aren't new. It's Performance 101: be clear about your goals, focus your efforts on relevant activities, do them consistently, and commit fully while doing so. And yet it's extremely rare to see organizations with high levels of clarity, focus, discipline, and a fully engaged workforce. There is no "right order" in which to pursue them, but they are progressive

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and interdependent. Achieving focus, for example, requires an organization to become very clear about (and gain alignment around) its goals and priorities. And achieving widespread workforce engagement is impossible if employees are unclear about where the organization is headed, are blocked from playing a significant role in solving problems, or are expected to operate in an environment that's filled with lies and half-truths.
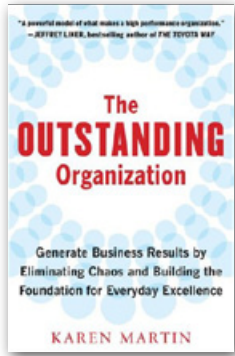
Organizations need to recognize that they can choose to operate differently. Organizational chaos is not a defining characteristic of all businesses. Those who view it that way are committing themselves to a lifetime of mediocre performance. They will continue to waste untold dollars

and time on improvement methodologies that can't deliver the results they expect. They will continue to suck the life force out of talented and once-motivated employees. They will continue to frustrate customers who, ultimately, feel the effects of internal chaos.

Organizations need to get out of their own way of success. They need to stop trying to get fancy and get the basics down. Those who haven't yet adopted formal improvement-focused business management approaches should first focus on building the fundamental behaviors that will guarantee success. Those who have an army of black belts in place, or are in their fifth year of a Lean transformation, need to begin putting as much effort into shoring up their foundations as they do toward new improvement projects. If they don't, chaos will slow or stall overall business performance, no matter how impressive localized improvements may be.

The biggest barrier to outstanding performance is the chaos companies inflict on themselves. Stop it. Now. ⬚

Info

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ABOUT THE AUTHOR | Karen Martin has been building, managing, and improving operations for more than 20 years. As principal consultant for Karen Martin & Associates, LLC, she is a recognized thought leader in applying Lean thinking and the psychology of change to office, service, and knowledge work environments. Her diverse client list includes Fortune 500 companies, as well as small businesses, government agencies, nonprofits, and start-ups.

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