

## A Mug Full of Change

May 2008



*Employees don't need another new mug with a catchy slogan. They need context.*

In my closet, I have a change mug. Each night, before I place my pants in the laundry basket, I empty my pockets and deposit the change in an old coffee mug. I noticed the other day, however, that my change mug was actually a "change mug." That is, it was a mug left over from one of the numerous change initiatives I have experienced in my time in government. This one was a relic from the Total Quality Management days, complete with a picture of a non-smiling [W. Edwards Deming](#).

I remember when I first got this mug, because its presence had been forecasted by one our organizations' great cynics. I was pretty new to government and had been volunteered to represent my agency on the bigger department's TQM steering committee. (I was to learn later that this was a clear sign the organization thought I was expendable).

This was my first change initiative, so I enthusiastically embraced it and felt with all my heart that it was going to change the world. With the zeal of the converted, I started proselytizing cubicle by cubicle.

Until I met Gerry, a 30-year veteran of state government.

Upon hearing my sermon about defects and Japanese management, he quickly ushered me into his office. I said, "Gerry, you don't seem to be that enthusiastic about what we are trying to do."

He then motioned for me to come over to the back wall of his office. On his back wall was one of those brown, vinyl, accordion-like space dividers. He pulled back the divider and there was literally a wall full of mugs. He had collected every "change mug" from his 30 years in government and had built a shrine to their failure.

With all the dry sarcasm he could muster, he asked me, "Ken, are you going to be another mug on my wall?"

I replied, "Of course not! This time it will be different!"

Somewhere, probably in a box in Gerry's retirement home, is the same mug I'm using to keep spare change. At least it was good for something.

So why do we have so many mugs? In next month's column, I will talk about one of the main reasons — our constant desire to create "buy-in" through branding our efforts. As if change will go down better if it is served in a mug with a catchy slogan. This month I want to talk about the other reason we have so many mugs — we jump on every fad. Make a list of all the change initiatives you have been through in your time in government. See if it matches mine:

- Management by Objectives
- Zero-Based Budgeting
- Strategic Planning
- Managing for Results
- Outcome Based Budgeting
- Total Quality Management
- Quality Circles
- Reengineering
- Kaizen
- Customer Service
- Throwing Fish

Balanced Scorecard  
Strategy Maps  
360-Degree Feedback  
Performance Management  
High Performance Organization

These are what most employees call the Flavor of the Month and what some employees call BOHICA. (You can look up the meaning of that acronym for yourself). What is wrong with each of these initiatives? Absolutely nothing. Each initiative is a philosophy, method and tools to address a specific need. That is, each initiative is "*a way*." The problem occurs when we try to make them "*the way*".

This is reminiscent of the often used example of the blindfolded men describing the elephant by the part that they are holding. If you ask some, they will say the key to organizational transformation is strategic planning. Another says it is accountability through budgeting for results. Still others say it is all about customer service or teams or employee development. Who is right? All of them. And none of them.

Each one of these initiatives, by itself, can have a positive impact on your organization. None of them, by itself, can transform your organization. A balanced scorecard can be a great tool to develop performance measures and to ensure you are considering multiple perspectives in your metrics. Is this the secret to organizational transformation? Nope. It may be a piece. Kaizen projects can be a great way of engaging employees in teams to radically remake a business process. Is this the secret to organizational transformation? Nope. It may be a piece. Budgeting for results can be a great creative writing exercise to produce volumes of performance data that nobody looks at to make budget or management decisions. Is this the secret to organizational transformation? Nope. (Sorry, couldn't resist.)

The secret to organizational transformation is actually not a secret at all. For that we can thank Congress. No, seriously. In the late 1980s, Congress did an extraordinary thing. While we were all sitting in quality circles and trying to figure out why, if an [Ishikawa diagram](#) is just a fish-bone chart, we don't just call it a fish-bone chart, Congress truly wanted to understand why Japan was crushing American industry.

Rather than looking just at what the Japanese were doing, Congress commissioned a study of U.S. companies that were surviving and thriving in those difficult times. I'm sure members of Congress were a little upset when the study came back without a silver bullet. Instead of one silver bullet, the report said, plain as day, that great organizations do seven things well, and continuously improve all seven. What are these seven magical things, and are they still relevant today? Here's the list. Decide for yourself.

Great organizations:

- Have great leadership
- Use strategic planning to focus on long and short term priorities
- Focus on their customers
- Use measurements and data to make decisions
- Develop their workforce
- Improve their processes
- Achieve superior results

Many of you will recognize this list as the criteria for the [Malcolm Baldrige National Quality Award](#) (and the various State Quality Award spin-offs), which was created to promote these concepts and recognize organizations that excelled in all seven areas. Again, this list isn't a secret. It's official, public information about what makes organizations great.

Do these seven concepts still hold up today? What do you think? Can you ever imagine a time when an organization can say planning for our future is a waste of time? Or that we are done trying to understand what our customers want? Or that our processes are as good as they are ever going to get?

Not only do these seven areas hold up today, they will for as long as I can imagine. Your organizations will always be working on these seven areas. In fact, every Flavor of the Month program listed at the beginning of this column actually fits into one or more of these seven categories. And that is exactly the problem. The seven areas together comprise the elephant — excellence. Each change initiative is a piece of excellence. But only a piece.

We may elevate one area because that is our current need. That doesn't mean we stop working on the other six. For example, we may feel that our strategic planning and measurement are going well but that our organization lacks a focus on customers — so we rightly begin efforts to get better in this area. Working on our customer focus doesn't mean we are going to stop doing strategic planning or measurement or employee development. But this is exactly what our employees hear, even if that's not what we mean.

As leaders, this is where we often fail. It is the leader's job to create the context — to put the current initiative in its proper context with everything else that is going on or has gone on before. These seven areas provide that context. It is the job of the leader to show the employees that we are not jumping on another fad, but rather continuing our journey to get better every day.

I have found that employees are extremely responsive when you explain the seven areas and let them know that we are always going to be working on them. We may introduce new methods or approaches to doing them (a new strategic planning model or different process-improvement techniques, for example), but we will never not be doing these seven things.

So the next time you come back from a conference all excited about *that thing* that *those people* are doing that is finally making it happen, remember your role. Put the book back in the conference bag (the only thing I have more of than mugs) and invite your staff out for coffee. You supply the context; they can bring their own mugs.

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