

Improvement Opportunities in the Organization

Where the shoe pinches in most organizations

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Subject

In the practice of management consulting, it has been shown that companies that are very different from each other, have opportunities to improve their organization that are very similar.

The cause lies on the one hand in the standardized organizational elements (in particular the organizational structure, i.e. departments, line, teams), on the other hand in the similarities in organizational culture, at least in Western Europe and the USA.

It's worth keeping the following list in mind when trying to figure out where any problems might be coming from, or where there might be room for improvement.

Possible solutions and developments cannot be outlined at this point, because they depend strongly on the individual case.

Leadership behavior

Important managers do not behave as they expect or even demand of their subordinates.

Anyone who preaches mutual respect as a corporate value, for example, cannot behave in a disrespectful manner without being at all unbelievable.

Of course, intention and the perception of subordinates can diverge here: sometimes an action by the manager is misinterpreted by employees – usually on the basis of previous experiences with him.

Case from my practice

The CEO of a Swiss company presented himself to the staff of a newly acquired Cologne consulting firm as a demigod who regards the employees merely as revenue generators without rights. These resigned en masse within a year: the Cologne house went bankrupt and the Swiss parent followed soon.

Team building

A group of employees with a common task is by no means a team, just as, for example, eleven football players who have come together at random do not initially form a football team – teamwork is not just working side by side.

In order to reach the goal together – which must be a common goal – the group members (players) must know each other well enough, and everyone must know what each other contributes to success.

This is the only way to create the corporate feeling that enables the individual to perform at their best.

Top dogs

Managers, but also other employees who have made a »turf« their own in which they have a certain power, perceive »intruders« as a threat. This is the case, for example, when someone adopts a previously inconspicuous product as his »baby« and has made it a success.

The defensive measures turn into a war of aggression when two top dogs want to wrest territory from each other, for example when their topics or products have important things in common or they have to share

certain resources (e.g. personnel)..

Problem solving instead of innovation

The newly emerging problems are always only solved »event-triggered« instead of creating processes and structures that help to avoid those problems and improve the overall situation.

For example, much effort is invested in the introduction of quality monitoring while preventive measures to increase quality are not taken.

Division feuds

Company divisions (e. g. human resources, controlling, IT) hinder and blame each other instead of supporting each other.

Case from my practice

The data center operation of a major bank perceived a lack of respect on the part of a project team for the introduction of a new application system and made almost impossible demands on the operating concept to be presented by the team – apparently in order to discipline the entire development department. This consequently switched to stubborn.

Meeting culture

There are many complaints about too frequent and too long meetings – and nothing is done against it. The cause lies in the misuse of the meeting as a vehicle for the mere exchange of information, despite the widespread use of e-mail. Wiki systems and conferencing.

Delays, especially in project processes, are the natural consequence.

Case from my practice

The project meeting of an automotive ECU development project should take place every two weeks. The only participants were the project manager, the team leaders and certain experts, for example from HW design. The current state of affairs was

reported in turn at the meeting. After two months, the appointment only rarely took place due to appointments with the customer. Since the sub-projects hardly communicated outside of the meeting, they soon waited for each other, and there was hardly any progress at the overall project level.

Customer and self-perception

The customer often perceives the products and services, as well as the relationship that he has with his supplier, in a completely different way than the supplier.

It is particularly critical where supplier and customer work together, for example when defining complex products.

Case from my practice

I temporarily worked as a quality manager for a device that was intended for a Stuttgart car manufacturer. When I stated in a joint meeting that the development process still had some weaknesses and how these are already being eliminated, the customer representative even thanked me for my openness and honesty. The usual »everything OK as always« messages were felt to be dishonest and disrespectful.

Compensation system and feedback

In most cases, the remuneration of employees and managers has little to do with corporate strategy. This is even true concerning the feedback that managers give their subordinates about their operation.

This means that, at best by chance, behavior that is appropriate to the strategy is fostered and inappropriate behavior is discouraged.

Strategy and planning

Sometimes the corporate strategy is changed at intervals of a few days, but the (time and effort-consuming) planning to achieve the corporate goals is however firmly adhered to.

This leads to the fact that, only in order to

record milestones that were once roughly scheduled, the respective sub-goals are gradually adjusted in such a way that the overall goal becomes unattainable.

Instead, the planning has to be adjusted as often as necessary, while the strategy is at best only refined in line with the increase in knowledge.

Promotion and succession

Looking for a successor for company management not before he is needed is more common, but less obvious than »breeding« him in the same company.

Conversely, small companies in particular do not offer any career paths that could take an employee to the top of the company.

Bureaucracy

In a bureaucratic organization, administration becomes an end in itself, tying up resources without having to account for it.

It is no longer the company goals are in the foreground, but only the *means* that lead to them stand in the focus of attention.

Summary

Organizational improvement opportunities currently exist particularly 1. in *cooperation* (see team building, top dogs, divisional feuds), 2. in *concentration* (see bureaucracy, meeting culture, remuneration system and feedback), 3. in *correct perception* (see management behavior, customer and self-perception) and 4. in the area of initiative and leadership (see problem solving rather than innovation, strategy and planning, promotion and succession).

- 1) Cooperation means the interaction of people, groups and organizational units.
- 2) Concentration means focusing on the goals envisaged.
- 3) Correct perception means seeing how the other perceives you so that there is only a small difference to self-perception.
- 4) Initiative and leadership means setting

firm goals and working actively and in good time to achieve them.

These factors (cooperation, concentration, perception, initiative and leadership) are universal success factors – of which there are many more – without which sustained entrepreneurial success is not possible.

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