

## When Organizational Procedures Hurt Your People, Performance & Profits

Here's a well-known story - Mike has an expanding business with a very qualified group of employees who helped carry it to the next level. Everything was going smoothly, well, save for that forgotten task every now and then. That was until things took an interesting turn a few months ago, just after Mike secured a large client. On paper, the new agreement was an excellent deal, it could basically double the organization's income. Needless to say, there was some extra workload involved, nothing the team couldn't handle - at least so Mike thought. Right after the week the organization started getting the extra work, he realized it was too early to make assumptions. It was that Friday, when he discovered their output was way behind what was expected. They were simply falling behind schedule!

Attributing this to a possible "adjustment phase" to the new client's requests, Mike was not particularly concerned, only to discover the next week the performance was even worse. This was certainly an interesting situation because the amount of work done was *even lower than the usual performance*. Somehow, the presence of the new client managed to *decrease* production, as opposed to increase it!

After numerous meetings, throwing in performance bonuses and the unavoidable "office happy hour" nothing seemed to improve. Having trouble understanding the problem, Mike was hit with yet another surprise on a Monday morning: one of his top-performers was handing in her resignation letter! She almost seemed apologetic when she stated she just got an offer from an organization where she could "focus on what she excels in."

This was the "A-ha!" moment for Mike. He immediately called a consulting firm, which, after numerous research and observations confirmed what he suspected: the staff was *drowning in organizational procedures!* The consulting organization made the following points in their report:

- ❑ The staff had to perform tasks and duties that weren't related to their expertise nor their job
- ❑ Having lost their energy and time to these tasks, they suffered a loss in productivity
- ❑ Organizational procedures were too detailed and they were impossible to follow in limited time
- ❑ When cumbersome procedures were combined with exhaustion from non-expertise duties they further brought down morale and job enjoyment
- ❑ This downward spiral was also fueled by Mike, who often unintentionally ruffled employees' feathers over these irrelevant details, actually an overly rude email he sent to a former employer (who was an engineer) a few years ago over unsorted books at the bookshelf had been an ongoing water cooler subject for weeks.

Mike was sorry to have lost a good employee, yet he benefited well from this wake-up call. Working together with the consultants and his own staff, he started following an *open-communication path* to re-build his organizational climate:

- ❑ He brought his staff together to get their open, honest opinions about what frustrates them, what drains time and energy and what is it that needs to be improved
- ❑ With the help of the consultants, he revised the policy and procedure standards in organizations like his own, and identified

the key points that must be brought up-to-speed

- ❑ He replaced his “step-by-step” procedure manual with a lighter one - instead of spelling out the exact way of performing every task, he merely opted for setting excellence standards that must be adhered, allowing his people to work with their way as long as the quality and results are present
- ❑ These changes allowed Mike to provide employees with tasks relevant to their skills and expertise - he saw the few dollars he tried to save by making an engineer tidy up a bookshelf backfire in lost productivity and decreased retention
- ❑ Most importantly, Mike saw the value in *constantly updating the procedures manual* to keep up with the ever-changing times - as he read in a consulting book “Change today is not an option, but a matter of survival.”

It took Mike someone with talent leaving, an upset client and several years of losses due to underproduction to realize his organization needed a procedural overhaul. Have you ever wondered what your organization’s procedures look like?

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