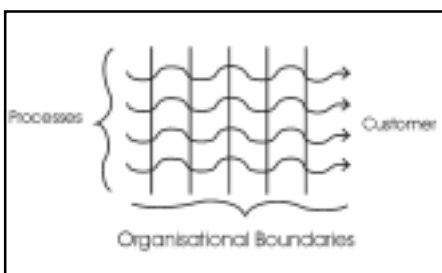


Designing dynamic, lean organisations - breaking down boundaries – or putting them in the right places?

Many of our clients and colleagues are familiar with the Rubicon model of Process, Structure and Culture – informed by Vision and Strategy – as the fundamental, inter-related realms of organisational development. Here, Rubicon director *Steve Briault* briefly reviews the structural aspect of our work.



Change and improvement projects can start in any of these fields, but will quickly raise issues in the others which require attention. This integrated approach avoids the dangers of one-sided interventions, where for example attempts are made to change the organisational culture without addressing structural or process deficiencies. Recent issues of Crosscurrents have focused heavily on our work with lean process improvement methods, but we often (usually, in fact) find that some of the most important obstacles to flow lie in the fragmentation of processes by poorly designed structures.



When the organisational, financial, informational, physical and job structures are not aligned with the core work processes, the resulting symptoms are all too often those listed below (see box).

ORGANISATION DESIGN Some consequences of structural mismatches

- *Confusion*
- *Inter-departmental tensions*
- *Boundary issues*
- *Grey areas of unclear responsibility, authority and accountability*
- *Barriers to communication*
- *Blockage of initiatives*
- *Lack of ownership*
- *Quality problems*
- *Impaired teamwork*
- *Parts optimised at the expense of the whole*
- *High personal stress*
- *Sub-optimal individual and overall performance*

Structuring is about connecting and differentiating; it is about the placement of boundaries. Boundaries are often unpopular in management circles today: but they are not in themselves undesirable. Without internal and external boundaries, no organism or organisation could



thrive. The issue is not to abolish all boundaries, but to place them appropriately. Based on

Christian Schumacher's seminal Work Structuring Principles, our approach to organisational design starts with analysing and optimising the process, then identifies "Whole Tasks" – process segments which contain a significant value-adding activity and all the other actions which support it – and matches these to right-sized, multi-skilled teams. Next, it provides these teams and their leaders with what they need to plan, do, evaluate and continuously improve their own performance. The wider organisational context is then composed by an objective method, called Affinity Analysis, which identifies where the closest and weakest links are to other activities. By this means, boundaries can be placed where they best belong, at the points of minimum interdependence. This creates the structural conditions for the flattest viable management system, and for the genuine empowerment and involvement of people at all levels in a culture of continuous improvement.

Rubicon's web site

Please visit our web site at www.rubiconassociates.com and let us know what you think. If there is anything you would particularly like to see, do tell us.

ROTHER HOMES - PREPARING FOR THE NEXT 5 YEARS

By Debra Langridge, Human Resources and Corporate Services Manager

Rother Homes (part of the Horizon Housing Group) is a social housing association in East Sussex. In the first five years of our existence we set out to meet a variety of promises to our tenants, including the completion of an ambitious programme of works to repair and upgrade our 3000 homes (which had been transferred to us by Rother District Council).

Structural Review

In February 2002 we had almost completed four of the five years and it was decided to undertake an organisational review. In particular, the top two tiers of the organisation needed to be re-organised, and we were also looking for assistance and advice in succession planning and in-house development of our managers. Steve Briault of Rubicon Associates was appointed to undertake the organisational review.

Staff from all departments were interviewed and a cross-departmental working group was formed to develop and explore ideas for improvement. At the end of April 2002 Steve presented his findings and recommendations to the Board of Directors, which were well received. The structural changes and shifts in roles and responsibilities were phased in smoothly over the next seven months. The restructuring has resulted in more cohesive teams, improved communications across the organisation and a more clearly defined line management structure.

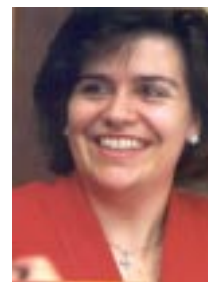
Performance Appraisal System

As a result of a staff survey I knew that there were a number of problems with our current performance appraisal system. We asked Rubicon to review the system and make recommendations as to what we should do: could we tweak our current system or did we need to design a new one? Steve and associate Belinda Hammond worked with a small working party made up of staff from Rother

Homes. In May 2002 they made recommendations to the Board that a new system should be developed. A meeting of all staff was held to explain the findings of the group and the recommendations for the new system, which received overwhelming support – especially the proposal to separate financial bonuses from the individual performance review. Over the next seven months competency sets were written for each job in the organisation and the new system was tested by a pilot group. All staff were trained in the use of the new system by the end of February 2003, when the new appraisal system went live. We commenced the launch of the new system, with all managers undertaking their Staff Development Reviews during February and March. The staff development needs gathered through this exercise were fed into our Annual Training Plan. Progress Reviews commenced from April and evidence to date would suggest that these are being carried out in a timely and effective way.

360° Feedback and Coaching

At the end of 2002 Rother Homes' CEO and senior managers took part in a pilot project of 360 degree feedback plus coaching. Each senior manager asked for feedback from their manager, their peers, and some members of the board, internal customers and staff. The feedback questionnaire was customised for Rother by the management team and Steve Briault, and was composed of 25 positive statements - for example "The manager exercises authority appropriately",. For each statement respondents were asked to rate the recipient on a scale of 1 to 10 – space for comments was also included. The statements covered areas such as effective communication, knowledge of finance and performance data, commitment to



Debbie Langridge

meeting customer needs – and altogether give a picture of a well-rounded business leader.

The completed questionnaires were processed by Rubicon into a detailed document (respondents remained anonymous) and then each manager was given an overview of the feedback by Belinda Hammond. At the end of the first coaching session managers were given the 360 degree feedback report and the further two coaching sessions offered time for digestion, reflection and making decisions as to how to work on areas for development that had been highlighted. At the end of the process the management team met to share personal learning points from the feedback, and to consider the overall strengths and weaknesses of the team. At this meeting it was decided to extend 360 degree feedback to the rest of the managers at Rother Homes (which has since been completed). 360 degree feedback was a useful complement to both the new performance appraisal system (which was based around support and feedback) and the management development programme.

Management Development Programme

In order for Rother Homes to meet our goal of "home-growing managers" Rubicon proposed a 10 month management development programme (October 2002 to July 2003). Each monthly seminar consisted of a Thursday evening and a full day on Friday. The group of 23 managers attending the programme was made up of all the managers from Rother Homes (18

in all) plus 5 managers from different parts of the wider Horizon Housing Group.

The three strands of the programme were: Business Development, Cost and Process Effectiveness, Leadership and Communication. Steve and Belinda were joined by experts from the Rubicon network who offered sessions on topics such as Lean Thinking, Handling Difficult Conversations and Risk Management. Requests from participants for specific themes have been woven into the programme.

One of the clear benefits of the programme is that it has enabled each person to expand and apply their knowledge and understanding in each of the three strands, and of the management challenges faced by Horizon Housing Group. Participants have experienced a greater sense of working within a team, increased networking, mutual support and use of the expertise within the group. The integrated learning approach has

encouraged participants to transfer learning from the seminars to their workplace. Feedback from participants has been consistently positive for all 10 of the seminars. One manager said, with some surprise; "I've been on lots of management courses, but what's strange about this one is that all the ideas and methods actually work in practice..."

Fit for the future

The founding Chief Executive of Rother Homes has recently retired: as a result of the development work described here and supported by Rubicon, he is passing on to his successor a revitalised organisation, with a more appropriate and supportive staff review system and a more cohesive and enthusiastic management group.

360 degree feedback plus coaching

Rubicon has recently developed a new approach to management development which combines 360 degree feedback with coaching. (See Rother Homes article for an outline of how the process was applied there.) 360 degree feedback can be a very powerful developmental tool. However, there is a danger that the feedback can be read through, put in a drawer and forgotten about. Coaching enables the feedback to be

delivered verbally in a digestible manner, and offers an objective sounding board for talking through and absorbing both the positive and negative ratings and comments. All the way through the process the coach encourages the manager to identify opportunities in which specific areas for development can be addressed.

Lean innovation in the NHS

Andrew Scott has been working with the NHS Information Authority for the last half year. The Information Authority has the responsibility to deliver national information and infrastructure solutions to support information sharing, which enables both clinicians and patients to make choices and decisions about care.

He has designed the structure and process to support the development of Information Strategies for National Service Frameworks that set the standards of care patients should expect for key conditions such as Renal Services and client groups such as Children.

The application of lean thinking principles has enabled

him to recommend and implement a requirements management tool that traces policy into implementation. By using this, the UK Department of Health can be assured that national policy is fully translated into planned action.

For the strategy to be successfully implemented, agreements need to be brokered with a large number of agencies within the NHS to address the information needs of the National Service Frameworks. This is proving to be a fascinating process. In a number of instances, it entails helping to set the organisational development agenda for national agencies and local Trusts.

Andrew is specialising in project-based development

ranging from strategy development in the case of the NHS through to manufactured product development recently completed for a manufacturing client in the North of England. He is in the process of developing an Introduction to Lean Innovation: stay tuned for further news on this.



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360° feedback

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Last Planner™

Improving project programme predictability

A major source of variation in projects arises when work is not completed when expected. The Last Planner™ System (LPS) was designed to improve project programme predictability – work completed when promised – during both design and implementation.

LPS is a system of inter-related elements – only when all are implemented together, over time can the full benefits be appreciated. It is simple to administer using Post-it™ notes, paper, pencil, eraser and photocopier. On larger projects MS Excel™ or another spreadsheet can help.

LPS begins with **collaborative programming** engaging the main project suppliers from the start in a detailed assessment of the project and what is required to deliver it. Risk analysis ensures that float is built in where it will best protect the integrity and predictability of the programme. Engaging project suppliers right from the off enables them to explore and agree new ways of working together to deliver the project.

Before implementation begins, team leaders work on the **look-ahead process** so that when work should be done, it can be – collaborative programming is the first step in this process. There is no point in putting work into production if a pre-requisite is missing. The weekly look-ahead process continues throughout project implementation ensuring that each activity meets a number of criteria prior to release for production.

Implementation is managed through a **weekly work planning meeting** involving all supplier team leaders or design team leaders (the Last Planners). It is in every team leader's interest to explore inter-dependencies between activities and to ensure that no one is promising more than they can deliver. It is equally important to ensure that the work that is promised will at least keep the whole project to the agreed programme.

Together all these elements contribute to a predictable work programme. **Continual improvement** enables the project team and the supplier teams to make the programme ever more predictable.

Last Planner benefits don't stop at programme predictability, profit and productivity; for example Danish research shows significant reductions in sickness absence on LPS managed projects.

Initially developed for construction, Last Planner is now being used in software development and one-off product manufacturing. Rubicon have pioneered its use for new product development with one client.

If you would like to know more about the benefits of using Last Planner and some of the underlying principles please contact Alan Mossman 01453 765611 alanmossman@rubiconassociates.com



Rubicon's Last Planner
Workshops are led by
Brian Swain & Alan Mossman

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