

# 15 Waste Scenarios

*An effective change model must be followed in its entirety to ensure efficiency*

by

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**F**IFTEEN SCENARIOS OF waste are possible when an effective model is not used to facilitate effective change.

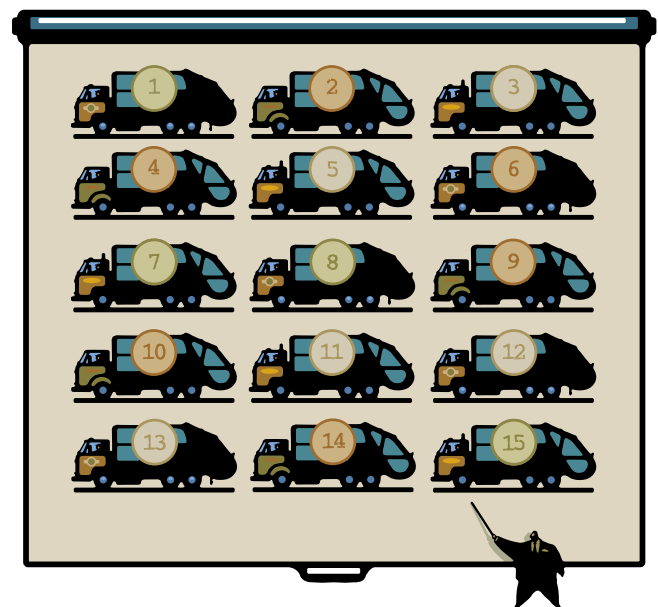
Some models used for assessment are better than others. Examples include the Malcolm Baldrige National Quality Award criteria, ISO 9001:2000, the Burke-Litwin Organization Performance and Change Model,<sup>1</sup> and the 7 S Model. The latter is an organizational behavior model consisting of strategy, structure, systems, staff, style, skills and superordinate goals.

The important thing is that an assessment be conducted and the change initiative be premised on the assessment's finding.

I described two change models in a May 2001 *Quality Progress* article ("Intentional Change by Design," p. 46). Implicit but not discussed in the May 2001 article is that an organization may experience ineffective or inefficient change initiatives if it does not use one of these models or a similar one. Change steps may be missing or poorly accomplished.

In either case, predictable but unpleasant consequences or scenarios demonstrate the incredible waste associated with poorly crafted change initiatives.

Figure 1 (p. 68) in this current article shows the 15 components to consider in developing a change model. These components are explained briefly in "An Effective Change Model," (p. 69). The first nine steps of the model are necessary to realize inten-



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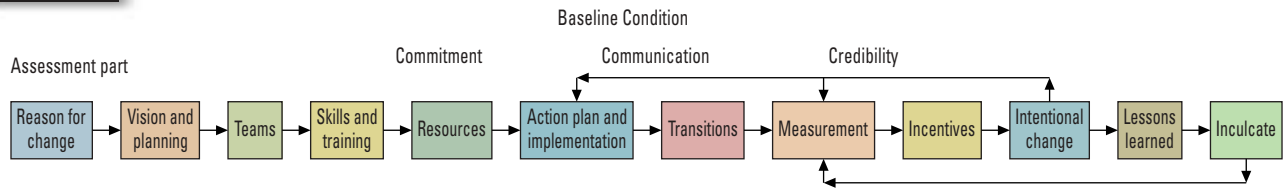
tional change, which is followed by step 10 (lessons learned) and step 11 (inculcation).

## A practice exercise

Before you read any further, perform the following exercise using Figure 2 (p. 70), a revised model with two parts: assessment in the top row and a sample change process in the following rows. The cell on the far right side of the model for those subsequent rows is blank.

The assessment row of Figure 2, the change process model, also includes the baseline elements: the condition of the existing organization and three

**FIGURE 1** Managing Change Process Model



Acknowledgement: University HealthSystems Consortium, 1995

critical subparts: commitment, communication and credibility. The outcome of using the change process model effectively is intentional change. Intentional change is always the goal of the change process model.

The second row is missing the step dealing with the reason for change. In your opinion, and in three or fewer words, what will be the outcome when there is no significant reason for change? The blank cell in the next row is the vision and planning step. Please write down or note your answers in the cell at the far right.

Fill in the outcome for each subsequent line in Figure 2 that has a different change step missing until all blank cells on the right side of the model are filled in. Use three words or less to describe the wasteful outcome when each step is missing or poorly performed.

**15 scenarios of waste**

I will now describe the 15 scenarios that can result when a component of a change model is absent.

**1. Remaining with the status quo.** The reason for change component is the significant and necessary purpose of the change. If this step is missing, there is no reason for change, and if so, the outcome is to remain with the status quo. Why change when there is no compelling reason or sense of urgency to do so? If the change initiative is pushed nonetheless, employees may go through the motions without ever embracing and owning the change.

**2. Confusion.** When vision and planning are missing, the outcome is confusion because there is no context for the change. This is the alignment piece. It helps keep organizational activities related to one another and to the strategic and tactical objectives.

Because there is no defined direction for the organization, any or no direction will be satisfactory because both will lead the organization somewhere. A change initiative will not have meaning or support because it will be perceived as arbitrary. This will only confuse and anger employees because they will not understand why sacrifices are necessary for a change that seems meaningless.

**3. Myopia.** Teams are the means of developing and implementing most change initiatives in an organization. Effective teams use a broad range of personnel

with different skills, knowledge, talents and perspectives. Less effective teams are myopic in focus and outcomes because they lack the synergy of diversity.

**4. Anxiety.** Skills and training are a compound element because both are needed for effective change. If either or both are missing, the predictable outcome is anxiety because the organization knows it needs the change (steps one and two) but doesn't know how to create the change. In this case it would be wise to hire an outside expert to provide the necessary skills and training for the employees and teams.

**5. Frustration.** Lack of resources results in the unpleasant outcome of frustration because the organization knows it needs the change (steps one and two) and it has the expertise to create the change (step three), but it lacks the resources to supply the change.

Scenarios three and four are particularly demotivating because the change is known and there is a sense of context and urgency, but the change is stagnant due to a lack of skills, training or resources. Executive management becomes the scapegoat because only it has the authority to provide resources for the change. Cynicism may set in, making future change initiatives more difficult.

**6. Too much dreaming.** Successful action plan implementation requires effective project management. All the action plans in the world will not create intentional change unless successful implementation is carried out.

**7. Temporary change.** The transition step distinguishes the change process as being more than reengineering because it attempts to imbed the change into the very fabric of the organization's culture. Without effective transitions, the change is temporary.

Change creates an imbalance within an organization. The systems, attitudes and behaviors converge to re-equalize the imbalance by slowly eroding the change initiative. The change will be like an ocean wave at high tide hitting the seashore only to recede again, becoming a momentary gain that is lost. The outcome for the transition step therefore is temporary change. Without incorporating the change into daily work activity, the organization will attempt to revert to its former state.

**8. Unexpected change.** Measurement is W. Edwards Deming's check or verification piece. This step tells us the change is taking place in some form. Effective project management will monitor the results and interpret them correctly to ascertain the current state or condition and take whatever corrective actions are necessary to meet the plan's objectives.

The unpleasant outcome for a lack of measurements or for an improper interpretation is unexpected change. Without good data, change can be open to interpretation. This is management by conjecture. On the other hand, if the data are misinterpreted, the change may vary from the plan's objectives, and it may take some time to identify and correct the error.

**9. "Satisficing," not excellence.** Satisficing is a term used in organizational behavior circles to mean "merely good enough." Incentives, in this case, are the extrinsic rewards for the successful performance of change initiatives, especially the hard work done by change teams. Incentives are controversial, and here we mean the organizational thank you for successful work.

Incentives take the form of bonus days off, employee weekends away, dinner tickets, public and peer recognition and so on. Incentives help satisfy the WIIFM or "what's in it for me?" question. When incentives are not forthcoming, employees settle into the satisficing mode, the art of accepting what is just good enough—a far cry from excellence.

## An Effective Change Model

The components in developing a change model have numbers corresponding to the numbers of the 15 waste scenarios. The intentional change component is between "incentives" and "lessons learned" and is unnumbered because there is no waste scenario associated with it.

- 1. Reason for change**, or the compelling and urgent reason to initiate a change process.
- 2. Vision and planning**, or how the change aligns with the present and future direction of the organization.
- 3. Teams**, or the main mechanism to facilitate the development and implementation of change.
- 4. Skills and training**, or the tools, knowledge and expertise needed to develop and implement the change.
- 5. Resources**, or tangible and intangible support, such as time, access, space, money and personnel.
- 6. Action plan and implementation**, or the project management piece of assembling and implementing a change intelligently and sequentially.
- 7. Transition**, or the people part of the change process, involving management of the change from the end of current attitudes and behaviors through and into the new attitudes and behaviors.<sup>1</sup>
- 8. Measurement**, or evaluating the change process to verify the direction, magnitude and effectiveness of meeting the change objectives.
- 9. Incentives**, or thanking employees for their sacrifices when more effective actions and results are realized.

**Intentional change is the major objective of every change initiative.**

- 10. Lessons learned**, or capturing the organization successes and setbacks to prevent repetition of mistakes and resistance to change for future teams and change initiatives.
- 11. Inculcation**, or reinforcing intentional change so unraveling doesn't occur, resulting in loss of momentum and a return to business as usual.

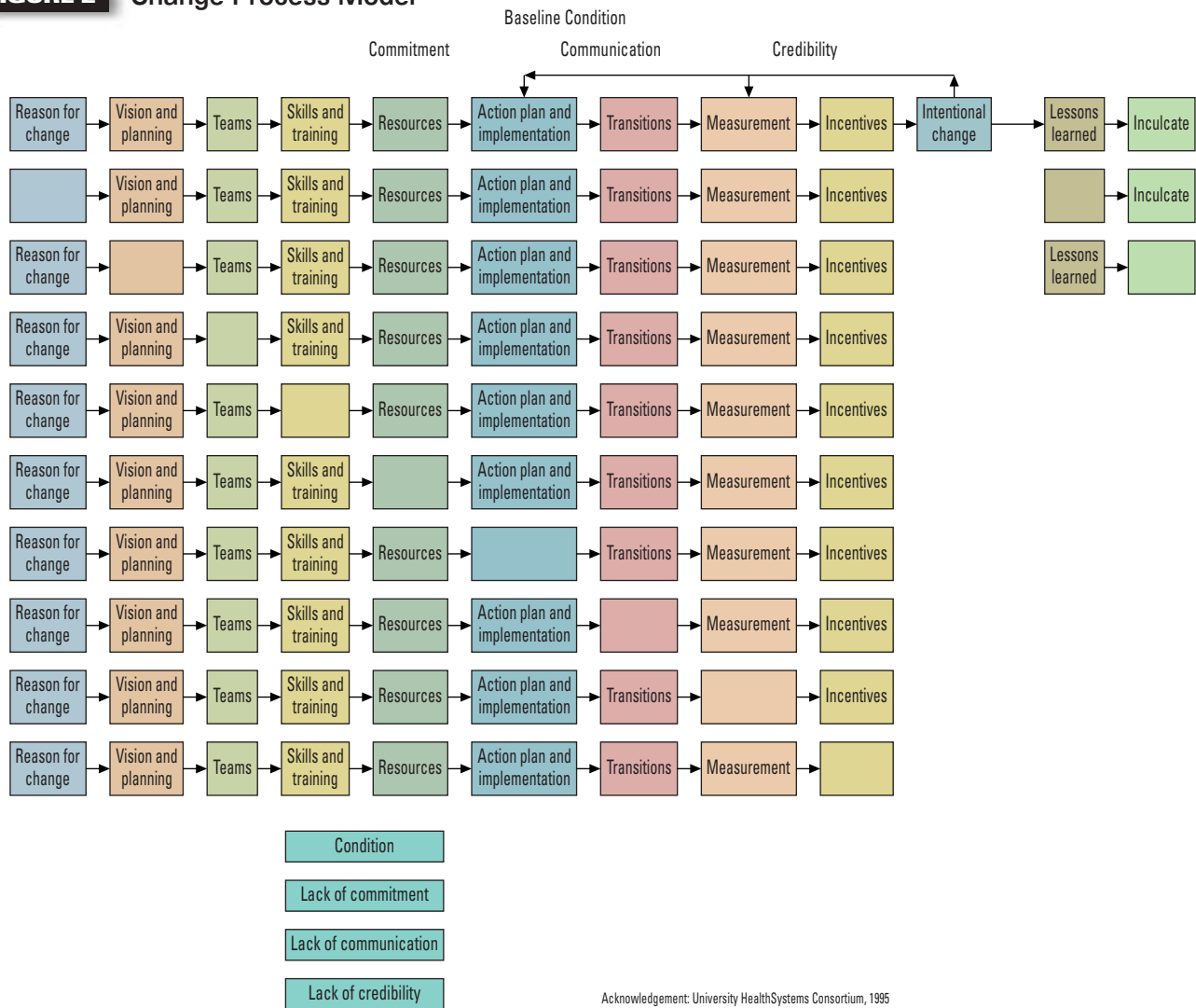
These components are followed by the baseline elements:

- 12. Condition**, or creating the organizational assessment piece.
- 13. Commitment**, or having executive management that ensures things get done.
- 14. Communication**, or keeping everyone informed to sustain and drive change.
- 15. Credibility**, or having management with vision, integrity and competence.

### REFERENCE

1. William Bridges, *Managing Transitions*, Perseus Books, 1991.

**FIGURE 2** Change Process Model



Acknowledgement: University HealthSystems Consortium, 1995

**10. Repetition of mistakes and resistance to change.** Lessons learned occur during and after a change initiative. They are the elements of organizational learning that take place when dealing with tough issues. What were the obstacles, trials and tribulations encountered during the change initiative? How did the teams negotiate this resistance? Organizations are condemned to repeat mistakes and to perpetuate resistance when lessons are not learned.

**11. Unraveling.** Organizations often improve aspects of their performance only to find the improvement reversing. Some slippage occurs right away. Organizations must inculcate change initiatives into daily work activity, or the results unravel. The improvement recedes, and the organization goes back to its former state or condition.

It is important to remember here that not all

changes can and should be implemented because some of them will be unveiled as unsatisfactory in meeting the strategic and tactical objectives of the organization.

In other cases, limited resources must be allocated in an intelligent manner, and some change initiatives will have a lower priority than others. (Both of these situations will be better clarified as organizations use the seven management and planning tools (affinity diagrams, interrelationship diagrams, tree diagrams, prioritization matrices, matrix diagrams, process decision program charts and activity network diagrams).

**Baseline elements**

Let's change our focus now to the four baseline elements—condition, commitment, communication

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and credibility—that can create the final four waste scenarios.

**12. False start.** Condition is the organizational assessment piece. If the organization has not analyzed its strengths and weaknesses, its preferred future state (called “n”) or the lessons learned, the unpleasant outcome can be a false start. If the attitudinal, behavioral and organizational pieces are not adequately prepared for the contemplated change, the new change initiative may begin with a bang and die as a whimper.

**13. Oscillation.** Commitment is the second baseline element and is most frequently voiced as a missing element by change agents. It typically relates to executive management with the authority and position to ensure things get done.

Oscillation is characterized by the expression, “Do as I say, not as I do.” The wasteful outcome here is one step forward and two steps backward. It is like intermittent reinforcement; it drives employees crazy because they cannot get a good read on the seriousness of the change initiatives.

**14. Self-strangulation.** The third baseline element is communication, which is necessary to spread the good news of improvement. Communication is essential for keeping everyone informed. Employees don’t like surprises; they want to know what progress is being made, plus when, where and how the change effort will impact them.

The waste scenario here is self-strangulation because the critical mass of momentum never materializes to help sustain and drive the change initiatives. As the saying goes, “Success breeds success.” But if few employees are kept informed, that success never gets a chance to breed and impact future initiatives.

**15. Gamesmanship and posturing.** The last baseline element is credibility, which involves vision, integrity and competence.<sup>2</sup> This is primarily an executive management issue and secondarily a middle management one.<sup>3</sup>

The outcome for a lack of credibility is gamesmanship and posturing. Managers size up the opportunities and threats associated with change initiatives and act on those that promote personal and functional self-interest.

Obviously, this self-interest misaligns organizational efforts to maximize scarce resources. Aside from bad feelings, anger and resentment, this leads to tremendous waste.

Posturing is the promotion of self and function to the detriment of the strategic and tactical objectives of the organization. It is putting self ahead of the organization. It is being visible and supportive when it benefits oneself. It is a powerful negative model to the rest of the organization.

## The obvious

Two things should now be obvious. First, the predictable but unpleasant outcomes are wasteful. Waste is always the first and cheapest area to change because it usually doesn’t require capital expenditures. Not only are these outcomes a waste of valuable resources but they also fragment efforts.

All successful teams exhibit a unity of purpose, a coming together for the good of the organization or team. Elimination of the 15 scenarios will go a long way in establishing the unity of purpose in any organization.

The elimination of the 15 scenarios of waste will also be a powerful signal to all employees that waste will no longer be tolerated. Most of the employees probably have been aware of the waste within the organization but were unable or unwilling to champion its removal. Seeing that removal will demonstrate to them the seriousness of the commitment to change business as usual.

The second obvious fact is that our change process model is a simple, yet comprehensive and coherent attempt to explain the big picture of creating, implementing and maintaining change initiatives. This model shows you the necessary steps and baseline elements essential for intentional change—our intent.

## An example

Two Midwestern construction companies were vying for market share dominance. One company named Alpha embraced total quality management (TQM), while the other one called Beta did not.

After an initial transition of white water turbulence created by various change initiatives, during which Alpha lost some of its employees because of the TQM implementation program, a period of equilibrium and growth ensued. Customers were surveyed, employees trained, and teams began working on customer value and satisfaction improvements.

At first Beta was not too concerned with Alpha. Beta actually hired the former Alpha employees and watched as Alpha employees talked to customers and spent their off-season conducting employee training and forming problem and project teams.

However, things changed. Beta began losing good customers to Alpha, and they were replaced with other customers who had strained credit and multiple grievances.

In addition, some of Beta’s finest employees left for Alpha despite promises of higher salaries and future bonuses. Beta decided to mimic Alpha’s TQM program by hiring an outside consultant with TQM experience. Time was spent advertising for and screening an appropriate consultant.

The consultant was empowered to lead the TQM program, with the blessings and support of the owner

and president. The consultant met with the executive team and later with the employees and laid out his vision for the new TQM program. This included training all employees in the concepts and principles relating to TQM. Shortly after the training sessions ended, teams were assembled with specific issues to solve.

Meanwhile, valuable off-season time was expended, and the new construction season was drawing near. The new season meant employee workloads increased, which in turn required more employee work hours.

Profit opportunities quickly replaced TQM meetings, tempers flared, scapegoating developed, and employees were left angry and confused. The initial hope of more involvement with work activities, better contact with customers and increased communications was replaced with frustration and cynicism. Before much could be done, the new construction season was in full swing.

Later, as Beta's construction season came to an end, the consultant had difficulty staffing the TQM teams voluntarily. Conscripts were found, and teams resumed their work. Team meetings were plagued with personal attacks, finger pointing, general apathy and conflict. Employees were threatened and sometimes fired before the whole TQM program was shelved.

What's wrong with this picture? Why couldn't Beta mimic Alpha's apparent success with TQM?

### Answers

First, let's return to the 15 waste scenarios and examine the above example.

Mimicking Alpha's change program was not a compelling enough reason for change, and thus the outcome was the status quo. An effort was made to implement a TQM program, but the seriousness of this endeavor never caught on with the employees.

The vision and planning piece was never fully developed or diffused throughout the organization. No alignment and little direction were provided, so confusion resulted. The preferred future was never drawn for the employees, so they had no glimpse of how their futures would be different with TQM.

Most teams never got on track. The conscripted teams may have been myopic because they lost their focus on the big picture. In-fighting replaced organizational improvement as members sought to protect their own turf.

The hired consultant had emphasized skills and training, but neither seemed to be just in time. Expectations were created and not realized.

Opportunities to use the training were limited, and therefore it was not reinforced to become skills. Because training was not being fully utilized or developed, the outcome was anxiety.

Resources were not provided when they were needed. In the example, the major resource needed was time to meet, use the new skills and solve identified problems. The outcome was frustration.

The action plan and implementation never happened because time ran out before the new construction season began. All of the prior work helped establish an unrealized dream.

The remaining change process steps were academic because the change initiatives never developed far enough to

determine whether the steps were effective.

Now, let's turn our attention to the four baseline elements.

Condition was the assessment piece that never fully took place. The result here was a false start because Beta never completed its assessment homework. It sought activity more than purposeful direction.

Commitment disappeared because of competing values such as profitability and change. It appears both were seen as "either/or" vs. "both/and." Rather than building collaboration between profitability and change, Beta allowed one value to come at the expense of the other. Having the hired consultant lead the TQM program was a huge mistake because he had no credibility with employees, who saw him as an outsider. The outcome of a lack of commitment was oscillation.

Communication keeps everyone informed during difficult times. Beta was not strong in this area. With few changes made there was little improvement to communicate anyway. Self-strangulation, a fairly quick process, was the outcome because of limited information sharing.

Credibility was compromised for a number of reasons. It may be there was no vision or the vision was not persuasively articulated. Perhaps there were integrity issues with the owner and executive managers. Competency was probably involved because the change program was not fully understood or implemented, as evidenced by the hiring of an outside expert. The outcome was gamesmanship and posturing.

Certainly as the program stalled, executive managers would have withdrawn visibly and verbally into safer territory. The consultant may have come up with numerous reasons for nonperformance. In the end, the program faltered.

While most change programs are not missing all

## Why change when there is no compelling reason or sense of urgency to do so?

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change steps, nor do they perform them all poorly, when the change steps are missing or poorly crafted, the impact is usually negative but preventable. If we understand the change process as initially being more mechanical than behavioral, we have a better chance of planning and sequencing the activities more thoughtfully.

Winford Holland compares change to the operations of a theatrical company.<sup>4</sup> When a theatrical company decides to switch from the production of *My Fair Lady* to *Grease*, it doesn't ask its actors if the change is agreeable. The theatrical company analyzes the needed changes (such as new production, promotions, actors, roles and relationships, costumes, stage props, lighting and scripts) and proceeds to assemble them. A transition period ensues where the actors practice with their new scripts, lines, roles and relationships. The new production of *Grease* begins to unfold and take shape.

Unlike theatrical companies, most organizations don't often change productions, but when they do, the changes need to be effective, timely and within budget. Much of this can be accomplished by following the change process model in Figure 1 and by eliminating the 15 scenarios of waste in Figure 2.

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1. W. Warner Burke and George H. Litwin, "A Causal Model of Organizational Performance and Change," *Journal of Management*, Vol. 18, No.3, 1992.
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3. James M. Kouzes and Barry Z. Posner, *The Leadership Challenge*, Jossey-Bass Publishers, 1987.
4. Winford Holland, *Change Is the Rule*, Dearborn, 2000.

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