

**KEEP WHAT'S GOOD,  
FIX WHAT'S WRONG,  
AND UNLOCK  
GREAT PERFORMANCE**

# **RESULTS**

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# ONE

## A TALE OF TWO MANAGERS

**W**hy is it that some organizations can bob and weave and roll with the punches, consistently delivering on commitments and producing great results, while others can't seem to leave their corner of the ring without tripping on their own shoelaces? To answer that question, let's start by taking a closer look at what's going on beneath the surface.

It's late in the morning one day in early April as Judy DeGrasse and George Sullivan emerge from the quarterly management meeting deep in conversation about what the CEO, Bill Corrigan, has just said. Judy, a new account manager in *ZZ Electronics*'\* core media products division, is invigorated. Corrigan has just announced a major new device that promises to not only accelerate sales growth but also to catapult the company to the forefront of the industry. It will deliver greater performance at lower cost and resurrect the company's flagging brand . . . all by Christmas, when the new product is scheduled for release.

George, on the other hand, is unenthused. A director in the market research department and fifteen-year company veteran, he has seen this show before, and he knows how it will end. The top brass paint a good big picture, but they never provide the resources that the rank-and-file need to deliver on the vision—not just the bodies and the budget, but the information, the decision-making authority, and the incentives to get it done. In his gut,

\*Composite company names are indicated in italics at their first mention.

George knows this will be just another failed program-of-the-month. Of course, his cynicism did not keep him from raising his hand along with everyone else when Corrigan asked them all to signal their commitment.

"You want to grab some lunch?" George asks Judy.

"Thanks, but I'd better eat at my desk today. I'll need to meet with my team this afternoon to start brainstorming. I'm not sure how we'll get this all done before the holiday shopping season hits."

"Whoa, Judy, let me give you a little advice. You've got to pace yourself or you're going to burn out. There's no way we're going to make that deadline, and there's no sense killing yourself in the attempt. Never in my fifteen years with ZZ Electronics have we turned a new product around in six months, and we're not going to start now. We just lost ten people in my unit during the last round of cutbacks, and the ones I have left are working on that market analysis project that was last week's priority number one. If anyone had bothered to ask me before this meeting, I would have told them this was a nonstarter."

"Yes, but Bill said we're going to halve the cycle time on this, and I think we can do it," persists Judy. "We've got the best engineers in the industry. So, it takes a few nights and weekends. This might just put us back on the map."

George chuckles, "Well, then go for it. I admire your spirit, Judy."

Judy returns to the office to find it empty. Her colleagues, like George, are at lunch. So Judy takes the initiative and draws up an action plan, which she e-mails to various people in the organization who will provide critical inputs. A week passes and no response. Judy hopes that their silence means they are in agreement and implementing the plan, but she harbors the suspicion that maybe George is right.

Meanwhile, the marketing department has sent out a press release and industry analysts are talking up this new product. It is better, faster, cheaper, and will be in stores everywhere in time for Christmas. The trains of internal commitment and external expectation have left the station, and they are on a collision course.

The first casualty: the CEO. When the third quarter closes at the end of September and the promised new product is not ready for shipment, ZZ Electronics' stock takes a nosedive . . . as does Bill Corrigan's credibility with the trade and financial community. The board, feeling the heat of an irate market, summarily ousts Corrigan, installing a senior director as interim head of the company. The search commences for a permanent replacement . . . and the organization hangs in limbo, not sure what the new regime will bring.

George and Judy meet at the end of the year for lunch. George is solicitous. Judy is chastened. Not only did her e-mail fall on deaf ears, but she's been reprimanded by her boss for reaching out to other parts of the organization without his express approval. Her wings have been clipped.

"You were right," she admits as she orders a glass of wine.

"No, you are," replies George, "we *should* be winning in the marketplace, not wheezing our way to the finish line. But there's something about this place that brings out the bare minimum instead of the best in people. I stopped trying to figure out why two CEOs ago."

A business is basically a collection of people working toward a common goal. The same can be said of any government or charitable enterprise. Yet, anyone who has worked in an organization of any size—private or public—has experienced firsthand the individual behaviors that can take root and either help or hinder an organization's ultimate results.<sup>1</sup> George's "wait and see" attitude . . . the slap on the wrist Judy receives . . . Marketing's blithe ignorance of the true status of the new product . . . these are all examples of the individual counterproductive behaviors that impede organizational performance. Yes, the external marketplace today is unquestionably more demanding, and, yes, the CEO is partly to blame when things go wrong. But the true enemy too often lies deeper within. As one middle manager we recently worked with put it, "We have inflicted more pain on ourselves than have our competitors."

If you listen closely to the lunchroom chatter at organizations like the one George and Judy work for, chances are you'll hear some of the same complaints:

- “Everyone agrees on a course of action, but nothing changes.”
- “There goes another opportunity, while we wait for a decision.”
- “It’s a great idea; it’ll never happen.”
- “I’m either micromanaged or left holding the bag.”
- “The businesses and functions just aren’t working together to get results.”
- “I don’t feel motivated to go the extra mile. What’s in it for me?”
- “Ready . . . aim . . . aim . . . aim . . .”
- “We have the right strategy and a clear implementation plan, but we can’t seem to execute.”

Why do these statements resonate with so many people at companies like ZZ Electronics? Why, in a nutshell, are there so many more Georges than Judys in so many organizations? We could throw around a lot of consulting jargon and show you a series of complex charts, but the reason is too simple for such devices. People at work—whether they’re top executives, senior managers, middle managers, or business professionals—are products of their environment . . . and most organizations are inherently unhealthy.

### **THE POWER OF THE INDIVIDUAL**

But the damage is not permanent. It’s reversible. And that’s the message of this book. It’s within your power to make your organization healthy. By focusing on the building blocks of how your organization works—or doesn’t—you can keep what’s good, fix what’s wrong, and unlock performance to produce great results. The self-defeating behaviors you witness every day are not external factors beyond your control. They are the direct result of your actions and decisions . . . and those of every other person working

within your organization. The key to unlocking superior results is aligning those thousands of daily actions and decisions with the strategic objectives of the enterprise.

This goal—getting everyone in your organization from the top to the bottom aligned to achieve great results—is not wishful thinking. It starts with a little self-analysis. First, however, you need to determine whether you are a George or a Judy. The Georges dismiss the possibility of organizational transformation as so much science fiction. Judys celebrate the ability of optimistic individuals to change the world.

Some organizational fixes require leadership from the top, and we'll discuss these, but, in our experience, there are more opportunities for people in the middle of the organization to make a real impact than is commonly addressed or even perceived by the individuals themselves. Not only can middle managers make a difference, but no significant change is possible without their commitment and follow-through. As our opening story illustrates, top management's directives mean very little unless they are translated into individual behavior changes further down in the organization.

The key to inspiring such pervasive change is developing a common view on what works (and should be kept) and what is wrong and how to fix it. That's where this book comes in. It provides individual managers at every level with an objective perspective on their organization, one they could not otherwise acquire from the inside. Furthermore, it quickly moves beyond a diagnosis to a set of specific remedies designed to generate results. By taking an online self-assessment survey of nineteen short questions, you can generate an instant snapshot of your organization—what it looks like, how it tends to behave, and, most important, where the dysfunctions are and how to fix them.

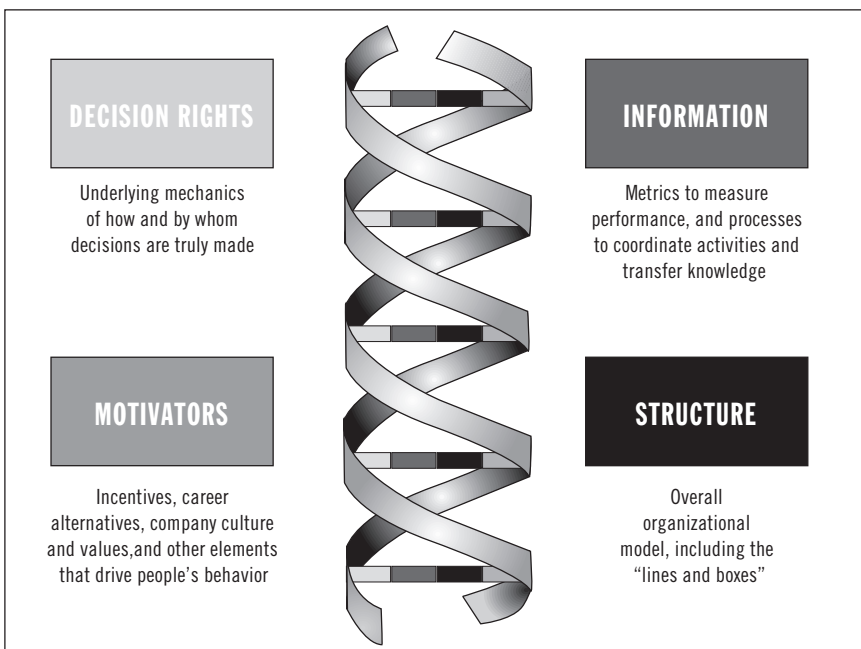
What you do with that information is your choice. You can resolve to change your own behavior and, by so doing, inspire change in others. You can get your whole organization to take the survey and evaluate results and potential remedies together. Or you can dismiss the results as provocative, but not worth acting on. In short, you can break the cycle or remain its complicit victim.

## ORGANIZATIONAL DNA

So, how do you build a better organization? How do you reverse entropy and restore an organization to robust health and profitability? How do you change a George into a Judy? The first step is figuring out what sort of organization you live in. What are its unique traits and attributes? What is its “DNA”?

The DNA metaphor is useful in understanding the idiosyncratic characteristics of an organization. Like the DNA of living organisms, the DNA of living organizations consists of four basic building blocks, which combine and recombine to express distinct identities, or personalities (see Figure 1.1). These organizational building blocks—decision rights, information, motivators, and structure—largely determine how a firm looks and behaves, both internally and externally. The good news is that—unlike human DNA—organizational DNA can be modified.

**FIGURE 1.1—THE FOUR BUILDING BLOCKS OF ORGANIZATIONAL DNA**



An organization's DNA strongly influences—and, in some ways, even determines—each individual employee's behavior. It explains why the Georges in your organization behave as they do. It accounts for your behavior as well. Which customers do you call on? Which e-mails do you leave unanswered? What determines whether you offer a customer a discount to increase volume or hold the line to protect margins? How do you share information with someone in another business unit or region? These daily decisions—often made far from the executive suite—determine an organization's ultimate success or failure.

The next chapter examines each of the organizational DNA building blocks and how they combine in different patterns to influence both functional and dysfunctional behavior. We also suggest, through real-world case examples, how you can adjust and integrate your organization's decision rights, information, motivators, and structure to drive improved performance.

## THE SEVEN ORGANIZATIONAL TYPES

Based on the nature of each of these four DNA building blocks and the degree of coherence between and among them, most organizations fall into one of seven broad types—four unhealthy, and three healthy:<sup>2</sup>

### **Passive-Aggressive**

*"Everyone agrees, but nothing changes."*

This is the seething, smiley-face organization. Building consensus to make major changes is not a problem; implementing these changes, however, is next to impossible. Entrenched, underground resistance from field operations routinely defeats corporate initiatives, as line employees assume "this too shall pass." Confronted with an apathetic organization, senior management laments the futility of "nailing Jell-O to the wall."

**Fits-and-Starts**

*“Let 1,000 flowers bloom.”*

This organization lures intellect and initiative—smart people with an entrepreneurial bent, but they often do not pull in the same direction at the same time. It’s a no-holds-barred environment where you can take an idea and run with it. But, in the absence of strong direction from the top and a solid foundation of common values below, these initiatives either clash and burn or simply peter out. The result is an overextended organization on the verge of spinning out of control.

**Outgrown**

*“The good old days meet a brave new world.”*

This organization is literally bursting at the seams, having expanded beyond its original organizational model. Because power is closely held at the top, the Outgrown organization tends to react slowly to market developments and often finds it cannot get out of its own way. If you’re in the middle of this organization, you might well see opportunities for positive change, but it’s just too hard to run these ideas up the flagpole. The legacy of top-down direction and decision-making is too well entrenched.

**Overmanaged**

*“We’re from corporate, and we’re here to help.”*

Burdened with multiple layers of management, this organization is a case study in “analysis paralysis.” More consumed with the trees than the forest, managers spend their time checking subordinates’ work rather than scanning the horizon for new opportunities or threats. Frequently bureaucratic and highly political, this organization frustrates self-starters and results-oriented individuals.

**Just-in-Time**

*“Succeeding by the skin of our teeth”*

Although not always proactive in preparing for change, this type of organization has demonstrated an ability to “turn on a dime” when necessary, without losing sight of the big picture. Just-in-Time organizations have a “can-do” attitude that infuses the office and inspires creative outbursts, frequently real breakthroughs, but it can also burn out the best and brightest bulbs. In the absence of consistent, disciplined structures and processes, this organization’s home runs often become “one-hit wonders,” rather than a reliable source of competitive advantage, leaving this firm scrambling to stay healthy.

**Military Precision**

*“Flying in formation”*

Everyone knows his role and implements it diligently in this organization, creating the overall effect of fluid and consistent execution. The Military Precision organization is hierarchical and operates under a highly controlled management model that allows it to efficiently execute large volumes of similar transactions. It can conceive and execute brilliant strategies—often repeatedly—because it has drilled the organization and run it through every scenario in the manual. However, it does not typically deal well with events not planned for in the playbook.

**Resilient**

*“As good as it gets”*

This is the organization that inspires both awe and envy . . . because everything seems to come so easily to it: profits, talent, respect. Like the popular kid in high school who got all As and

lettered in track, the Resilient organization seems destined for greatness; it fires on all cylinders. Resilient organizations are flexible, forward looking, and fun, and they attract team players. While it may hit a bump in the road—as all companies do—the Resilient organization bounces back immediately, having learned from the experience. The Resilient organization is the healthiest of all the profiles, precisely because it doesn't believe its own press; rather, it is always scanning the horizon for the next competitive battle or market innovation.

### **FIND OUT WHERE YOU STAND . . . OR SIT**

So, which of these organizations do you work for? A quick visit to [www.orgdna.com](http://www.orgdna.com) will answer that question. There you will find the *Org DNA Profiler*<sup>SM</sup>, an online, self-assessment survey consisting of nineteen short questions.<sup>3</sup> Individuals at all levels in an organization can take this quick survey and not only instantly identify their organization's type but also understand what's working and what's not. You can then diagnose the root causes of your organization's dysfunctional traits and behaviors. Based on that feedback alone, you can begin to make changes.<sup>4</sup>

### **GENE THERAPY**

Most organizations are also-rans. They go through the motions, but they fail to operate at peak performance because of internal obstacles. The building blocks of the organization's DNA—decision rights, information, motivators, and structure—are faulty or misaligned, frustrating the best efforts of its people . . . and the ultimate success of the company.

When an organization's DNA is poorly configured, it exhibits unhealthy symptoms and counterproductive behaviors. Even Resilient companies demonstrate dysfunctional behaviors from time to time; their challenge is to stay vigilant and healthy. The first

step in fixing problems is to identify and isolate them. That is the purpose of the *Org DNA Profiler*<sup>SM</sup>. Using a DNA-based framework, the tool allows you to step back twenty paces and gain some perspective on what is working and what isn't inside your organization.

But generating a profile is not the point. It is one thing to know you are overweight and have high cholesterol, but quite another to convert that diagnosis into remedial action such as an improved diet or more exercise. The *Org DNA Profiler*<sup>SM</sup> was designed to focus managers on the root causes of their organizational problems. It is up to management to translate these findings into sustainable solutions. The aim of this book is to show you how.

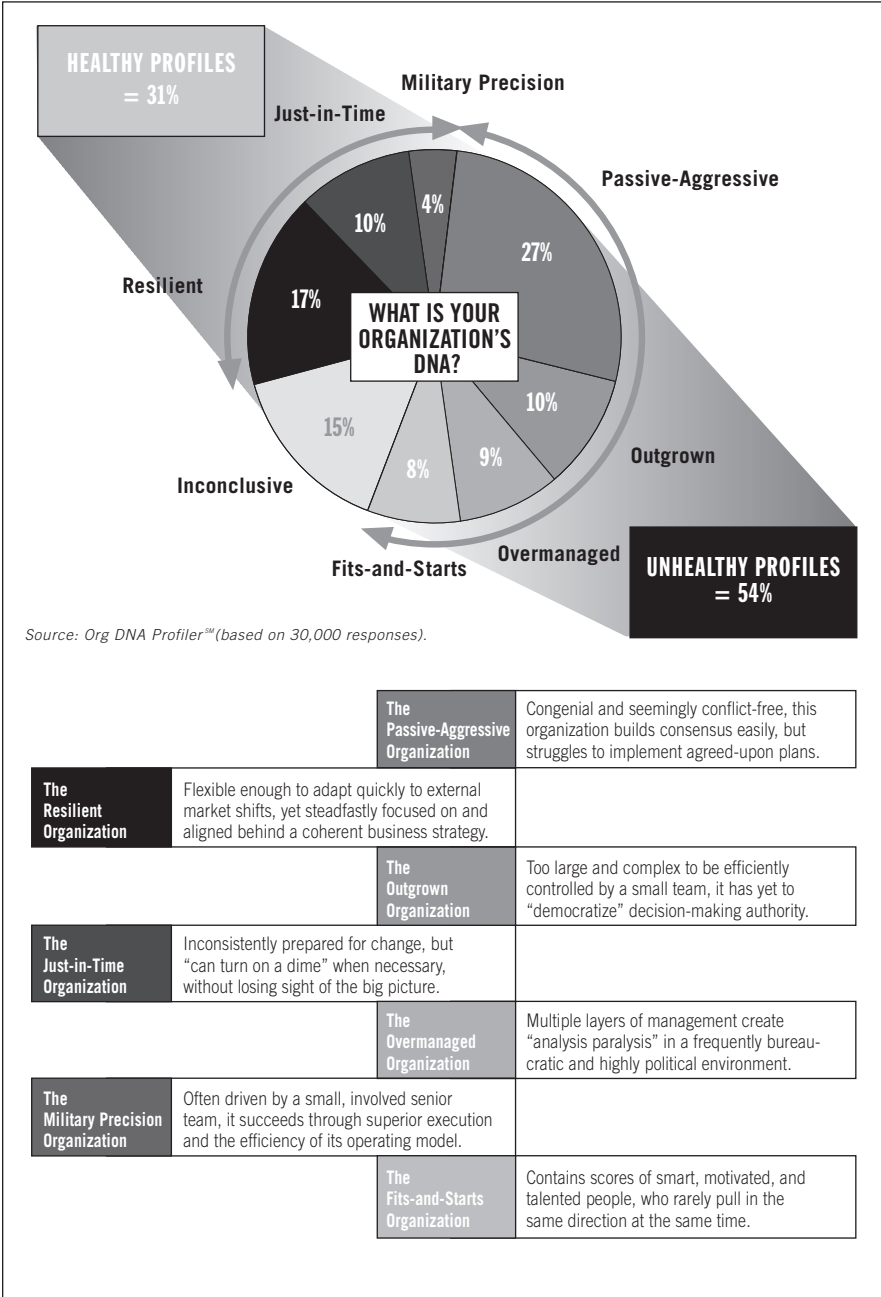
## THE ROAD TO RESILIENCE

What kind of organization is yours? Is it Passive-Aggressive? Just-in-Time? Fits-and-Starts?<sup>5</sup> What occurs easily in your organization? What is like pulling teeth? How do people behave, and why? And how could you help make it all work better?

According to our research, most organizations are perceived as unhealthy (see Figure 1.2). But even healthy organizations have issues and behaviors they'd do well to address. Achieving and maintaining good organizational health is a journey, and consistently successful companies are always recognizing the emerging signs of dysfunction and embarking on a new leg of this journey.

Chapters 3 through 9 focus on this perpetual quest by looking at each organizational type in turn. Each chapter will feature the real-life story of a company that recognized the unhealthy symptoms of that particular "type" in its own organization . . . and did something about it. In fact, all of these featured companies, without exception, are today highly successful and healthy enterprises. Since implementing their organizational changes—in some cases, more than ten years ago—all have produced a total return to shareholders that significantly exceeds that of the S&P 500. They have either achieved resilience or are well on their way.

**FIGURE 1.2—MOST ORGANIZATIONS PERCEIVED AS UNHEALTHY:  
ORG DNA PROFILER<sup>SM</sup> RESULTS**



And that transition to organizational health carries with it tangible bottom-line benefits. In fact, our research confirms that organizational health correlates strongly with profitability.<sup>6</sup>

In addition to the featured “journey” story, each chapter provides a detailed discussion of the specific characteristics of that organization profile and the potential fixes for the problems associated with it. In the case of unhealthy types, we talk in terms of “symptoms” and “remedies.” For healthy types, it’s “traits” and “treatments.” We illustrate these characteristics with examples and anecdotes from companies we have interviewed or worked with, and with illustrative composite stories we have written based on our fifty-plus years of organizational consulting experience. These illustrative stories zero in on what it feels like to be a middle manager in one of these organizations.

We recommend that you read all seven DNA-type chapters, as there are valuable insights for any organization in each, but readers who skip straight to the chapter most relevant to their organization will find plenty of value as well. Our aim is to arm you not only with unique insights on what’s holding your organization back but also an actionable strategy for overcoming or circumventing these obstacles. After reading this book, you should have the knowledge and tools you need to set your organization firmly on the Road to Resilience.

It’s important to remember that there is no one-size-fits-all formula. The first step is understanding your “type” and then developing unique solutions based on your unique problems and issues. While it’s tempting to think of a great company as a role model and implement whatever they seem to be doing, this is a trap to be avoided. Your situation is different. Your solutions should be as well.

